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EXCESSING AND UTILIZATION OF EXISTING LAND AND COLLOCATION OF VA REGIONAL OFFICES TO VA MEDICAL CENTER GROUNDS

COMPLETED 237
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HEARING

ORIGINAL

BEFORE THE

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

APRIL 23, 1986

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CONTENTS

APRIL 23, 1986

	Page
Excessing and Utilization of Existing Land and Collocation of VA Regional Offices to VA Medical Center Grounds	1

OPENING STATEMENTS

Chairman Montgomery	1
Hon. Elwood Hillis	56

WITNESSES

Berman, Hon. Howard L., a Representative in Congress from the State of California	2
Prepared statement of Congressman Berman	51
Cranston, Hon. Alan, a U.S. Senator from the State of California; and ranking minority member, Senate Committee on Veterans' Affairs	9
Prepared statement of Senator Cranston	63
Egan, Paul S., deputy director, National Legislative Commission, the American Legion, and Rodney S. Kirk, assistant director, National Veterans Affairs and Rehabilitation Commission, the American Legion	25
Prepared statement of the American Legion	90
Jones, Earl E., Commissioner, Federal Property Resources Service, General Services Administration	6
Prepared statement of Commissioner Jones	58
Levine, Hon. Mel, a Representative in Congress from the State of California	14
Prepared statement of Congressman Levine	67
Moran, Bob, associate legislative director, Paralyzed Veterans of America	24
Prepared statement of Mr. Moran	80
Schultz, Richard F., associate national legislative director, Disabled American Veterans	23
Prepared statement of Mr. Schultz	75
Thorson, Gordon R., special assistant, National Legislative Service, Veterans of Foreign Wars of the United States	25
Prepared statement of Mr. Thorson	84
Vogel, John, Chief Benefits Director, Veterans' Administration; accompanied by John A. Gronvall, Deputy Chief Medical Director; Robert E. Coy, deputy chief counsel; and Susan Livingstone, acting associate deputy administrator for logistics	29
Prepared statement of Mr. Vogel	171
Yaroslavsky, Hon. Zev, Councilman, 5th District, city of Los Angeles	19
Prepared statement of Councilman Yaroslavsky	71

MATERIAL SUBMITTED FOR THE RECORD

Cost analysis for areas currently under consideration for collocation:	
Wichita, KS	185
Fargo, ND	189
San Francisco, CA	193
Togus, ME	197
Little Rock, AK	200
Letters:	
From Westside Community Planning Council to Chairman Montgomery and Senator Alan Cranston in support of H.R. 4204 and S. 2141	66

BEST COPY AVAILABLE

Page

Letters—Continued
From Ms. Susan Livingstone, Veterans' Administration, to Chairman Montgomery enclosing initial comments of West Los Angeles VAMC Director re excessing of land at the West Los Angeles Medical Center ... 180
From law offices of Gibson, Dunn & Crutcher, Los Angeles, CA, to VA Acting Administrator Everett Alvarez, Jr., enclosing "Notice of Intent to Preserve Interest" ... 207
List:
Organizations and individuals opposing sale of Sepulvelda VAMC land ... 55
Statement:
Hon. Anthony C. Beilenson, a Representative in Congress from the State of California ... 213
Written committee questions and their response:
Chairman Montgomery to VA ... 217
Chairman Montgomery to GSA ... 220

BEST COPY AVAILABLE

EXCESSING AND UTILIZATION OF EXISTING LAND AND COLLOCATION OF VA REGIONAL OFFICES TO VA MEDICAL CENTER GROUNDS

WEDNESDAY, APRIL 23, 1986

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 8:33 a.m., in room 334, Cannon House Office Building, Hon. G.V. (Sonny) Montgomery (chairman of the subcommittee) presiding.

Present: Representatives Montgomery, Penny, Rowland of Georgia, and Hillis.

Mr. MONTGOMERY. The committee will come to order.

OPENING STATEMENT OF CHAIRMAN MONTGOMERY

Today we will actually be hearing testimony on two very important topics. We held hearings on the collocation issue last year. At that time we were assured that the VA was moving as swiftly as possible to save money by relocating regional offices to VA medical center grounds where the regional office and the medical center are located in the same city. We are not aware of any sentiment that this shouldn't be done, and this morning we want to check on the VA's progress in accomplishing this important objective. Collocation will serve the veteran better and it will save money.

I met with the Administrator GSA a couple of days ago, and he thoroughly agrees that we ought to look into this situation of collocation.

The other topic is not really new, but there have certainly been some new developments. In the administration's budget this year, it was suggested that the Government could reduce the deficit by selling some of its property. Two of the properties identified by OMB belong to the Veterans' Administration. According to the Office of Management and Budget, the 109 acres located at the West Los Angeles VA Medical Center could be sold for $350 million in fiscal year 1987, while the 46 acres identified as excess at Sepulveda would bring $10 million to the Treasury. We have invited the General Services Administration to testify today about how it arrived at those figures.

I hope everyone knows that I am totally against excessing any VA property. Once it's gone, it cannot be replaced. I am going to do everything I can to see that this doesn't happen to this property. With the current budget problems facing us, the VA will not be in

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any position to buy any more land in the near future. So it is my belief that the agency should hold on to what it has.

Today we are attempting to find out how the administration arrived at its decision to dispose of this California land.

Bud Hillis, the ranking minority member, will be here in just a few minutes.

Our first witness is a friend of mine, the Honorable Howard Berman, a Representative of the 26th District of California, which includes Sepulveda VA Hospital. Howard, welcome to our hearing. I see you have a prepared statement and, without objection, the complete text will be inserted in the record.

At this time we would like to welcome you to this hearing.

STATEMENT OF HON. HOWARD L. BERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. BERMAN. Thank you very much, Mr. Chairman, for scheduling this hearing, and for all that you have done to encourage a more rational policy toward cutting the deficit than the administration's pursuit of one-time benefits from the sale of some critical Federal assets.

I noticed just before I testified that some very effective representation from the City of Los Angeles has also joined us in the committee room today.

Mr. MONTGOMERY. Would you like to introduce them?

Mr. BERMAN. Well, I saw Councilman Zev Yaroslavsky. I don't know if he is on the agenda to be testifying later on.

Mr. MONTGOMERY. Yes, he is a witness.

Mr. BERMAN. Great. You'll be hearing from him. He will probably focus on the Westwood property that you mentioned, while I will be focusing more on the Sepulveda property in the 26th Congressional District.

Since you have made my statement a part of the record, I won't repeat all of that. But I do want to express my real appreciation to you for all you have done to help us in this particular fight. We are seeking to block the Veterans' Administration from declaring as excess 46 acres of land at the VA medical center in Sepulveda, as well as 109 acres at the VA facility in West Los Angeles. Since the 46 acres is in my district, I will restrict my comments to that particular property.

Basically, GSA is saying that the 46 acres is excess and that the Federal Government stands to reap a $10 million windfall by selling that property. What I hope my testimony and the testimony that follows will establish to your confidence is that GSA is wrong on both counts.

As a general philosophical matter, I believe that selling Federal assets is a bad deficit-reduction policy. The positive benefits of that are very illusory and in the long run the Government will lose money and the veterans of California will lose services if we sell this land. We know that additional Veterans' Administration property and facilities will be needed beyond the year 1986 to meet the health care needs of the aging veteran population. Increased Medicare costs can be expected to result in many more veterans seeking health and nursing care from the VA in the next several years. In

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fact, a recent Veterans' Administration survey found that by 1990 the percentage of veterans aged 65 years or older will more than double the 1980 level. Quite simply, the administration is proposing to sell VA property today that we will need to buy back at much higher prices 5 or 10 years down the road. That doesn't make any sense.

GSA's belief that they will receive $10 million in clear profit for selling the Sepulveda property—forgetting the much larger estimates they're making on the Westwood property—doesn't consider the total equation. Neither GSA nor the Veterans' Administration have considered the significant costs involved with the sale of this land. The VA will need to either demolish or rebuild or move part of the research compound, an engineering building and a warehouse, all of which are located within the 46 "excess" acres. The cost of renovation for only one of these buildings has been estimated at approximately $300,000. The cost of actually moving or rebuilding these structures will be much greater.

This says nothing of the less easily measured but even greater costs that will be borne by members of the local community and thousands of area veterans. There has been a tremendous community uprising regarding this issue, both from veterans' organizations and from community groups that have been involved with the hospital and with the land. For the past 17 years, the Sepulveda VA has allowed the Mission Hills, California Little League and their Womens Auxiliary to maintain Little League baseball fields and recreational areas on their property. The community has responded to the VA's generosity by providing thousands of hours of volunteer work to the facility. Thanks to the close VA-community relationship, the Sepulveda facility ranks in the top five nationwide for volunteer hours accumulated. This cooperation is well worth preserving.

I don't want to belabor the point, Mr. Chairman. You and I have spoken about this a number of times and you have been very helpful. I only wanted to register formally what we have already discussed on many occasions informally and through the mails, that is my strong support for anything you can do to persuade the administration, the Veterans' Administration, and OMB that there is a better way to go about this than selling this supposedly excess property.

I would like to thank you for all your courtesies.

[The prepared statement of Hon. Howard L. Berman appears on p. 51.]

Mr. MONTGOMERY. Thank you, Howard.

I would like to call on Mr. Hillis for any statement he wishes to make at this time.

Mr. HILLIS. Thank you, Mr. Chairman. I do have a statement that I would like to have inserted in the record.

Mr. MONTGOMERY. Without objection, it will be put in the record.

[The prepared statement of Hon. Elwood Hillis appears on p. 56.]

Mr. MONTGOMERY. Howard, let me ask you a couple of questions.

The veterans organizations, have they taken a position of opposing the sale of these properties?

Mr. BERMAN. The veterans organizations have, and the Administrators and the top management of the facility within the Adminis-

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tration, on an informal basis, are very clear in their strong feeling that this sale just doesn't make sense.

Mr. MONTGOMERY. You mentioned some possible construction or that you might have to move some buildings. Would you elaborate further on that?

Mr. BERMAN. There are a number of buildings on this property that is being designed as excess. At one point, when they were only talking about renovating one of the buildings, they were talking about $300,000. Now they're talking about demolishing or relocating three buildings which is going to run into substantially more money. We will not see the $10 million profit the GSA report of 3 years ago envisioned.

Mr. MONTGOMERY. What about the population around the VA center? Have we gotten along with those people over the years? I understand from your testimony that the civilian population is opposed—well, I guess we'll be hearing from the city and public servants in a few minutes. As I understand it, the people themselves are opposed to excessing this land.

Mr. BERMAN. I have a petition presented to me, signed by 1,600 people, gathered up in just a day or two. All the civil organizations, as I mentioned earlier, the veterans organizations, the surrounding homeowners associations, and, of course, the City of Los Angeles by formal action of its City Council, the results of which you will hear a little bit later, have opposed this action. There is essentially no support out in California for this sale.

Mr. MONTGOMERY. Could you supply for the record the civic groups? You named some of them. But if you could give us that for the record, that would help.[1]

As far as you know, everyone in California that has any interest is opposed to excessing this land. It just worries me a little. Yes, $10 million is a lot of money, but that's land that, as soon as we sell it, it's gone. Then we're going to want some more land. Something is going to happen out there that the VA is going to look for some more land and it's going to cost us.

Mr. BERMAN. It's an attractive accounting gimmick for one year's balance sheet. But for any long term, what are we going to do next year when we want to cut $10 million? What additional assets and properties are we going to sell? It is just not a substitute for making tough decisions about our budget priorities. I understand the illusion of it; put together a package of these excess properties, sell them, and you have limited the damage for this one year. But in the end, this is really unfair to the people who will be following us.

Mr. MONTGOMERY. Thank you.

Mr. Hillis.

Mr. HILLIS. If this land is disposed of, if this land is sold, will this begin to change the character of the remaining use of the other land? I take it this is a tract adjacent to other VA facilities?

Mr. BERMAN. Oh, yes, it's directly adjacent to it. It will have a substantial diminution of the atmosphere and the environment for

[1] See p. 55.

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the veterans in the facility. This is their recreational area. This is their open space.

Mr. HILLIS. The reason I asked the gentleman that question, I have a VA hospital in my own area and years ago, back in the Eisenhower years, we started this disposal of excess land. They did that there. I know it then permitted the local community to crowd in on the facility and it changed the character with a lack of openness. It began to crowd the facility. It isn't nearly as beautiful and aesthetic.

But more than that, I think it is something else in that it hampers—this happens to be a psychiatric hospital—the atmosphere that is necessary for the treatment of those patients. It's not nearly as beautiful now.

Mr. BERMAN. This is very similar to the situation that we face, where basically the open space, the recreational area, the interchange of the veterans and the kids in the Little League would be destroyed. It isn't just a punishment to the community. It's a punishment to the veterans.

Mr. HILLIS. It changes the whole character of that area then, or potentially could. It becomes urban or built up, rather than recreational.

Mr. BERMAN. Oh, yes. And if it's not, then it's going to be nowhere near the market value that the Federal Government is hoping to get, or OMB is hoping to get, from the sale of it. Their guess about the purchase price of the land is directly related to how densely it is developed.

Mr. HILLIS. Thank you very much.

Mr. MONTGOMERY. Howard, I think you can tell by the questions that it would be my feeling that the committee would definitely oppose selling these properties. I would hope we wouldn't have to go the legislative route. The Administrator has the authority not to sell a property. We put it in the law several years ago, Bud, giving him that authority. We would hope that even the GSA, who will testify in just a minute, would back off from that.

We appreciate your coming in this morning. I hope we can block this. If we don't, then they might be trying to sell your hospital next year and you'll be right back up here again. So we will do the best we can.

Mr. BERMAN. Thank you. I do get a sense from the questioning that this is not the most hostile committee I have been before in my short time in Congress.

Mr. MONTGOMERY. We usually applaud the witnesses, so you haven't been completely accepted. We haven't applauded you yet.

Dr. Rowland, do you have any comments?

Dr. ROWLAND OF GEORGIA. Just to apologize for being late.

Mr. MONTGOMERY. Thank you for coming.

Thank you, Howard.

Mr. BERMAN. Thank you.

Mr. MONTGOMERY. We were looking for your colleague, Tony Beilenson. He is held up in traffic. Senator Cranston is on his way. Let's get Earl Jones, Commissioner of the Federal Property Resources Service, General Services Administration, to come to the table.

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Thank you for being here, Earl. I enjoyed meeting with your boss the other morning, Administrator Terence C. Golden. He likes the idea of moving regional offices on the properties of VA hospital grounds. He didn't comment much on the selling of the properties, which we are concerned about. So we would like to now hear from you.

STATEMENT OF EARL E. JONES, COMMISSIONER, FEDERAL PROPERTY RESOURCES SERVICE, GENERAL SERVICES ADMINISTRATION

Mr. JONES. Thank you, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I am Earl E. Jones, Commissioner of the Federal Property Resources Service, General Services Administration. I am pleased to appear before you today to express the views of GSA concerning plans for declaring excess to Veterans' Administration needs certain real property located in California.

The property which is the subject of this hearing comprises portions of the VA medical centers located in West Los Angeles, approximately 109 acres, and Sepulveda, approximately 46 acres, in California. The property is currently under the control and custody of VA and has not been reported to GSA for further Federal utilization or disposal. However, on February 5, 1986, VA notified Congress of its intent to declare the property excess to VA's needs pursuant to existing law.

For the record, when land is determined to be excess to the needs of a Federal agency, it is reported to GSA for disposition under the provisions of the Federal Property and Administrative Services Act of 1949, as amended. This statutory requirement which represents long-standing congressional policy should continue to be followed in this case since the VA has determined that the property is not needed for its purposes. Otherwise, the Federal Government would be forced to retain ownership of unneeded real property with the attendant cost associated with such retention. The Property Act expresses the clear intent of Congress that unneeded property be reported to GSA for further Federal utilization or disposal as surplus real property.

We recognize that the Property Act vests responsibility in the head of a landholding Federal agency for determining real property excess to agency needs and for reporting it to GSA for disposition. However, administration efforts to improve the management of the Government's real property assets by Federal agencies through issuance of Executive Order 12512 on April 29, 1985, have vested GSA and the Office of Management and Budget with responsibility to ensure that this mandate is implemented by the landholding agencies.

I would now like to respond to the subcommittee's specific request for information substantiating the appraised value of the property and whether GSA is knowledgeable of any legal impediments to the disposition of the property.

Since, as indicated earlier, the property is not in GSA's inventory, we have no appraisal on the property. However, in cases such as this, where a land utilization survey results in a recommenda-

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tion that property be reported excess, GSA estimates its value for planning purposes only. This estimated value is based on general local real estate market trends and other information received from knowledgeable sources, such as local tax assessment offices.

With regard to legal impediments that would prevent disposal of the West Los Angeles and Sepulveda properties, we are aware of the claims by the heirs of the former owners that title to property conveyed by their predecessors at West Los Angeles would revert to them if such property is no longer used for Federal purposes. The heirs have initiated legal proceedings in that they have retained a law firm which has filed a notice of intent to preserve their interests in this regard and has advised us of a further intent to pursue other legal remedies. Consequently, it would not be appropriate for us to comment on this matter at this time.

Federal real property is not subject to local zoning while in Government ownership. However, GSA always notifies the local zoning jurisdiction of its intention to dispose of the property so that zoning procedures can be considered. When GSA sells property, bidding invitations inform prospective purchasers that the property has been hitherto unzoned but is subject to local zoning after the Federal Government conveys title.

In summary, in the implementation of the President's program to improve property management, GSA's responsibility is to recommend the release of unused property and, thereafter, to provide for its dispositon, by sale or otherwise. In this way, the Government obviates the economic burden of retaining such property. If there are future uses planned for unused property, they must represent funded activities approved as a part of the budget review process. In this case, if the properties are actually unneeded, as the VA has informed Congress, whatever their appraised values may turn out to be, we know they would represent a significant return to the taxpayers.

Mr. Chairman, this concludes my statement. I will be pleased to answer any questions.

[The prepared statement of Earl E. Jones appears on p. 58.]

Mr. MONTGOMERY. Thank you, Mr. Jones.

Senator Cranston is on his way, so we will start questions with you. Then, when he does come in, if you would just shift over in the chair, we will hear his statement. Then he has to leave.

Mr. JONES. Surely.

Mr. MONTGOMERY. Mr. Hillis.

Mr. HILLIS. Thank you, Mr. Chairman. I just have a couple of questions.

Of course, this is a new issue as far as I'm concerned. I'm just getting acquainted with it. It sounds, from what little I have heard from your statement, and the briefing I've been able to have here from staff, there is some—and I appreciate you want to be careful what you say about it—but there may be some cloud to the legal title of this real estate, or at least a claim may be presented by the heirs.

I wonder if it may be that the Government here is buying a lawsuit that would be lengthy and expensive if you attempt to negotiate this sale. Have you had any advice from Government attorneys as to what action you ought to consider taking in this? Normally

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you don't walk in the courtroom, if you can avoid it, as a defendant.

Mr. JONES. Yes, sir, we have had consultation with counsel. This has been reviewed both by counsel in our regional office and in Central Office. Right now we are considering what action would be appropriate and in the best interests of the Federal Government within the framework of our basic responsibilities. We may possibly pursue some method of quieting title.

Mr. HILLIS. How long has the Government had this property? When was the original deed of gift made, do you know?

Mr. JONES. It is my understanding somewhere in the neighborhood of 1888. It goes back to that time.

Mr. HILLIS. That's been a considerable period of years.

That's all I wanted to know. Thank you, Mr. Chairman.

Mr. MONTGOMERY. I kind of feel like this property, as long as you stay on this committee, that it's kind of your family property. You know, once you get rid of it it's gone, and it's been in our family for a number of years. A lot of it was given to us. It looks like there are other ways we could reduce the deficit than to sell off these properties.

Dr. Rowland.

Dr. ROWLAND of Georgia. Maybe this has already been answered, Mr. Chairman, but what does it cost to retain this property?

Mr. JONES. I have no specific numbers. This property has not been reported to GSA. Consequently, we don't have those details.

We can say with regard to properties, not being used for the purpose for which they were acquired, that there usually is a cost of protection and maintenance. There are other costs, such as opportunity costs for lack of development and use, as well as potential loss of benefits to State and local government, such as enhanced tax revenues, employment, services, et cetera. But I have no specifics on the numbers.

Dr. ROWLAND of Georgia. Mr. Chairman, would the VA be able to provide us with that information?

Mr. MONTGOMERY. Yes, we can.

Dr. ROWLAND of Georgia. Thank you.

[Retained in committee files.]

Mr. MONTGOMERY. I think that's an excellent question. This is beautiful land, as with most of our hospitals. I guess there are some exceptions out of the 172, but it's really the only open space around now. You have these great boulevards that run by, and tall buildings, and then you come across VA facilities. There's a lot of pride there.

Dr. ROWLAND of Georgia. Mr. Chairman, just to engage you in a little colloquy about that, as you know, you have been to the VA in my home town of Dublin. That's a rather large compound there, and I'm sure that a lot of that property could be sold and probably wouldn't in any way affect the services provided there. But there is that perception of selling that property that I think would be very damaging to the VA in my community and in the State of Georgia. So I am concerned about that.

Mr. MONTGOMERY. You have a great place there and there's a lot of pride going into Dublin at the VA hospital there. The problem is, as soon as you excess or sell some of this property, the next year

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you need the property to do something else. We started the State veterans nursing home programs and you might consider some of this land for putting in those nursing homes. As you know, we're really going to be getting the aging veterans in a couple of years—

Dr. ROWLAND of Georgia. Exactly.

Mr. MONTGOMERY. And even out in California, the cemetery there in Los Angeles, which is beautifully kept, they can't bury any more veterans there. We have some of this land now that they're trying to sell, that maybe that could be turned into cemetery sites. We're going to have to find places for all these veterans. We're going to have to go out and buy if we don't use some of that property.

Dr. ROWLAND of Georgia. I think we need to approach this very cautiously.

Mr. MONTGOMERY. I appreciate that.

Thank you, Mr. Jones.

We are very honored to call to the witness table Alan Cranston—and he knows where to go; he's been here many times. He has been a friend of veterans.

I want to make this statement for the record today. He has been a friend throughout his distinguished career and, other than Olin Teague, I don't know of anybody on the Hill in Congress that has had more to do with passing legislation that benefits the veterans than Alan Cranston.

Before you get started, Senator, I would like to inform those in attendance that Senator Cranston will be honored 1 week from today for his life time of service to the veterans. The Paralyzed Veterans of America have commissioned a portrait of Senator Cranston which will be unveiled next Wednesday evening. Senator, a number of us from this committee will be there. But we want to publicly thank you for the work you have done for veterans over the years, and thank you for being here this morning.

STATEMENT OF HON. ALAN CRANSTON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator CRANSTON. Thank you very much, Mr. Chairman, Sonny, for those very generous words. I deeply appreciate them. And thank you for all you have accomplished for veterans. I don't think anybody has really done more than you have in your great leadership of this committee, and I particularly want to thank you right now for this opportunity to appear before you. I appreciate you allowing me to testify when I came in because I do have a very crowded schedule this morning. I am particularly grateful also to you for introducing H.R. 4204, which is very, very helpful, and I am deeply grateful for that.

I am pleased to have this opportunity to appear before your committee to share with you my opposition to the administration's proposal to declare as excess and sell off parcels of land at two VA medical centers in southern California. I am delighted to endorse and urge the committee's favorable consideration of the measure you have introduced, H.R. 4604, along with the chairman of the Subcommittee on Hospitals and Health Care, Mr. Edgar, which would prohibit the Administrator of Veterans' Affairs from pro-

ceeding with this land sell-off which would be carried out by the General Services Administration.

As you know, together with my colleagues on the Veterans' Affairs Committee, Senators Matsunaga, DeConcini, Mitchell, and Rockefeller, I have introduced similar legislation in the Senate, S. 2141.

I am very grateful to you for taking the time to look into the matter and coming to the decision that you did on the matter, and for your leadership, which is extremely helpful on a matter that is personally important to me and I think very important to many people in California and elsewhere.

On February 5, then Acting Administrator Everett Alvarez, advised both Committees on Veterans' Affairs of the VA's intention "to declare as excess to the needs of the Veterans' Administration certain land and improvements at the VA Medical Center West Los Angeles (approximately 109 acres) and the VA Medical Center Sepulveda (approximately 46 acres)." He noted that GSA estimated that $360 million in revenues would be generated by the disposal of this acreage and that this amount was reflected as savings in the President's fiscal 1987 budget.

Under the provisions of section 5022(a)(2) of title 38, VA land cannot be declared excess and transferred to GSA until the expiration of a 180-day period beginning on the date that the VA submits to the Veterans' Affairs Committees a report of the facts concerning the proposed transaction.

Mr. Chairman and members of the committee, the proposal for the excessing and disposal of this VA property is a bad idea, for several reasons:

First, it is a phony budget reduction as to fiscal 1987. Even if the Government's title to the property were free and clear—which it decidedly is not—and the GSA were free to begin disposal processes now, experience indicates that it would take at least 2 to 3 years for the Government to consummate a sale of the property.

Second, as I noted, the Government's title to the portions of the land in question at the VAMC in West Los Angeles is not free and clear. According to the VA's General Counsel, the Government's title to the West Los Angeles land has a cloud on it that would require any sale to be at "a fraction of the value of the land" unless and until the cloud is removed.

Much of the land at the West Los Angeles VAMC was deeded in 1888 to the National Home for Disabled Volunteer Soldiers—a predecessor of the VA—on the express written condition that it be used for a branch of the Home. The VA General Counsel rendered an opinion on December 30, 1985, concluding that, despite the deed condition, the land may be legally disposed of. The word is "may" legally be disposed of. However, he noted that sufficient uncertainty exists regarding the effect of the deed condition as to make it extremely difficult to market the land, especially since the heirs of the grantors—apparently more than 150 of them—have made it known that they are prepared to sue to try to get the land back if the VA sells it. Thus, the VA's General Counsel has recommended that the Attorney General be requested to file suit to obtain a judicial declaration removing any cloud from the VA's title to the land.

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In either case, the General Counsel noted, the ensuing litigation could drag on in the courts for years.

To put this matter in perspective, in the instance of a roughly 2-acre parcel of land that is not part of this proposed excessing, but was at one time part of the same tract of land deeded to the VA, litigation has been initiated by the heirs challenging the GSA's right to dispose of that land.

Third, Mr. Chairman, it is my understanding that the VA believes it needs the land and OMB is forcing the VA to give it up to be sold off. The GSA survey on which the proposed excessing is based was originally completed more than 3 years ago and updated in October 1985, yet was made available to the VA only in January of this year when the proposed excessing was forced on the VA by OMB in connection with negotiations regarding the fiscal year 1987 VA budget.

The land gives the VA latitude for possible expansion in the future. In the case of the West Los Angeles VAMC, the land could be used for the expansion of the adjacent national cemetery, which is closed to new burials, and any future expansion of the medical facility. In addition, it may be possible to devise a plan under which the land could be temporarily used for other purposes, pursuant to a lease or sharing arrangement for a temporary use, with the VA retaining title and collecting revenues, until such time as the VA may need to retake possession of the land for its own use.

The VA is in the process of completing a review and assessment of the land at these two medical centers in order to examine all relevant information and ensure that the disposal of the land will not compromise the agency's ability to meet future program requirements. It is my expectation that the results of this review will, without question, demonstrate that disposal of this property as proposed should not proceed. The new Administrator, Thomas Turnage, in connection with his confirmation by the Senate, and at the hearings before our committee on April 10, has assured me that he will reach his own independent judgment in this regard and that he supports retention of the property if it is required to meet VA needs.

Fourth, Mr. Chairman, there is strong opposition in the communities involved to the excessing and sale of the properties. The neighbors, quite properly, strongly oppose the congestion and disruption from the resulting construction and development. Major national veterans organizations—the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America—have all spoken out in opposition to the administration's proposal.

Fifth, there are a number of factors, in addition to the problems with the deed, that at the present time could prevent the West Los Angeles property from being sold at a fair market price and thereby preclude the Government from realizing maximum proceeds from any disposition of the property. These include the fact that the land is presently zoned for public use and any commercially valuable development would be prohibited unless a change in zoning is obtained. Further, if Los Angeles County were to take action to permit development, it is not unlikely that the city of Los Angeles would try to incorporate the land within its boundaries

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and file suit to protect its interest, resulting in as much as a 4 or 5 year delay.

There also exists a County Board of Supervisors' imposed moratorium on new access cuts into Wilshire Boulevard in West Los Angeles, and the lack of direct access by vehicles to that thoroughfare would necessarily restrict the use of the land by a developer. In addition, on one of the parcels of land in West Los Angeles, several structures—including one built in 1906—could conceivably be designated as historic buildings, thus impeding new development and profitable commercial use of the property. In the case of the land at Sepulveda, there are existing leases with city and civic organizations that encumber the land.

Sixth, Mr. Chairman, I believe strongly that not all land, especially not all land in already high density areas around residential neighborhoods, should be developed. The lands in question constitute important open spaces and buffer areas for the communities involved.

Finally, Mr. Chairman, I note my very strong contention that if any sales are to occur, the proceeds should be used for the benefit of veterans, not the U.S. Treasury, especially in the case of the West Los Angeles land which was deeded to the VA's predecessor agency expressly for the use of veterans.

Mr. Chairman, as you well know, this issue must not be discussed as solely a California issue. It is far from that. OMB's action in this situation is contrary to the intent of the law. In 1983 Congress expressly enacted legislation that you proposed, Mr. Chairman, changing the law as to VA land disposition so that the Administrator of Veterans' Affairs—not GSA, not OMB—would have the final word in determining whether land is "no longer needed by the Veterans' Administration in carrying out its functions" and thus is to be turned over to GSA as excess. In this case, OMB is trying to substitute its judgment for that of the head of the VA. I thank you for your foresight in writing that law.

Finally, let me say that the OMB-forced proposal to excess this property, at the expense of our nation's veterans, solely to achieve an artificial budget reduction, is far more than just shortsighted and ill-advised. For the VA to be required against its better judgment to dispose of valuable resources would be improper and would establish a totally unacceptable precedent under the 1983 law.

Mr. Chairman, I urge the committee to give favorable consideration to H.R. 4204, and I pledge to you my continued support and assistance in efforts to secure enactment of legislation to prohibit the proposed excessing of these important VA lands.

[The prepared statement of Hon. Alan Cranston appears on p. 63.]

Mr. MONTGOMERY. Thank you, Alan. That was a very strong statement, one of the strongest statements we have had in this committee room in a number of years. I totally agree with what you have said.

Howard Berman of California, the Los Angeles area, testified before you, and after we have talked to you and asked questions, then we will hear from Mel Levine, also of the Los Angeles area.

Before recognizing Dr. Rowland, Mr. Hillis, the ranking minority member on this committee, had to leave. He supports the position we have taken, that we just can't sell this land and get rid of it.

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I would hope we wouldn't have to implement and pass H.R. 4204. I would hope that the Administration—and you had something to do with the law we passed several years ago that gives the Administrator the authority to say no and not sell the properties. If we have to do it, I believe we can get it through the House. I assume you feel confident that we might be able to get it through the Senate also.

The problem, too, is, if we let this California land be sold, then it's going to happen all over the country. You and I, since we have been active and have had some authority on our committees, have done what we could to stop the sale of this land. In the last 5 years I'm told only 50 acres has been disposed of. And before we started taking a stronger issue on it, the land was really getting away from us. We're on the right track here. We've got a good cause and it doesn't make any sense to get rid of the land.

Before yielding to Dr. Rowland, I would like to have the record show that Jon Steinberg, the minority chief counsel of the Senate Veterans' Affairs Committee, is here today with you, Senator Cranston, and we appreciate working with him over the years.

Senator CRANSTON. Thank you very much, Mr. Chairman. You are great.

Mr. MONTGOMERY. Dr. Rowland.

Dr. ROWLAND of Georgia. Just to associate myself with Senator Cranston's remarks, Mr. Chairman, and to reiterate what he has also indicated. We don't know, even if the land was sold, whether or not the money would be applied to our deficit problem. The money could be used to start some other new programs. We just have no assurance at all of that.

Certainly, Mr. Chairman, as you indicated, setting a precedent would be a very bad thing to do, I think. I could see where that could lead to the sale of more land, which as you said earlier we need to look into the future. We may well need this land in the coming years.

Mr. MONTGOMERY. Alan, you mentioned about looking into the leasing of the land and maybe I misunderstood you. I'm not even sure we want to lease any of it. I have just gotten to the point of where once you lease it, they get in there on top of you. I would just like to use it for veterans' purposes.

We're going to have a lot of them, as we mentioned earlier, in that our veterans are getting older. We're going to have to figure out ways to take care of them and we're going to have to have the land and the space to do it.

Senator CRANSTON. The idea of leasing would be that that would mean the land would be available for future veterans use, when needed, and meanwhile it could produce some revenues. So that's an idea that could be considered. But the objective, of course, is to prevent the VA from disposing of this property. The case is overwhelming, as you know, and I went into a long, long list of very complicated reasons why it is so unwise.

I thank both of you very, very much.

Mr. MONTGOMERY. Thank you, Senator Cranston. We appreciate very much your coming over this morning.

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Senator CRANSTON. I would like to note for the record that Babette Polzer is here with me as well as Jon Steinberg. She is a professional staff member on the minority staff.

Mr. MONTGOMERY. We appreciate her. I apologize. She was moving around and I didn't get a chance to recognize her.

All right, Mr. Jones, we're going to work on you. Move back over there.

Mr. MONTGOMERY. Mr. Jones, I'm going to have to ask you to move again. Mel Levine, the Congressman from the 27th District of California, would like to make a statement. We're very glad to have him.

STATEMENT OF HON. MEL LEVINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. LEVINE. Mr. Chairman, thank you very much. I had prepared a statement for the record and, with your consent, will submit it for the record and simply make a couple of brief points in support of your legislation regarding this proposed sale.

Mr. Chairman, I am here to associate myself with the remarks of my senior Senator, Alan Cranston, and my colleague, Howard Berman, in offering my strong support for H.R. 4204. I am willing to do everything possible to help to see that that legislation is enacted as expeditiously as possible, and I particularly wish to express my deep reservations with regard to the administration's proposed sale of land at the VA medical center in West Los Angeles and the VA medical center at Sepulveda.

I have three specific concerns regarding this proposed sale. The reasons underlying these concerns are detailed in the statement which I will be submitting, but in summary, my concerns are, first, that it has not been clearly established that the land is actually in excess; second, due to particular circumstances surrounding these tracts, it is highly unlikely that the Treasury will actually realize the revenue it anticipates from the sale; and finally, that the sale represents short-sighted budgeting priorities and sets a very dangerous precedent for the future.

Each of the underlying reasons for those concerns are outlined in my testimony. It is for these reasons that I oppose the sale of the property. I believe, Mr. Chairman, the proposed sale is a misguided attempt to deal with very real budget problems, that this sale will not raise the revenue projected, and that the land is a valuable resource of the VA medical centers in Los Angeles and should remain with them.

I hope that with your leadership and that of your committee the administration will withdraw this proposal. I want to thank you, Mr. Chairman, and Mr. Rowland, and the other members of the committee, for your leadership and help on this issue. I plan to work as closely as possible with you in moving toward the goals outlined in your legislation and in helping to convince this administration to reverse course in this short-sighted proposition.

Thank you.

[The prepared statement of Hon. Mel Levine appears on p. 67.]

Mr. MONTGOMERY. Thank you, Mel. I totally agree with what you have said and I think it helps by showing that the congressional

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delegation from that area of the country are totally opposed to doing away with this land.

I would hope it would not, as you said, not get into the legislative matters. We would have to pass this legislation. I think we can, but I hate to do that. I think if the administration would think it through maybe they can back off. Nobody is for it, and the general public and the veterans organizations, and those who deal every day in that part of the country with this problem are not for it.

Thank you very much. Your full statement will be put in the record.

Dr. Rowland?

Dr. ROWLAND of Georgia. Just to express my appreciation, Mel, for your coming here today.

Mr. LEVINE. Thank you both very much.

Mr. MONTGOMERY. Mr. Jones, we're going to try again. Tony Beilenson may walk in just as soon as you resume your seat there. He's a Member of Congress from California, too. But I do think it is good that you heard these Members talk about the problem.

One of my staff members visited the sites in West Los Angeles, and at the West Los Angeles site he was provided a list of 17 projects which could potentially be located at that location to serve veterans. In addition, the VA cemetery adjacent to the hospital has been closed to new burials for years and could really use some additional land.

When you send your surveyors out, are they instructed to find out about the potential or future use of the lands? Just what do they look for?

Mr. JONES. Mr. Chairman, our surveys are conducted in coordination with the landholding agencies—in this case, the VA. We discuss the nature of the current use as well as possible future uses. The funding for future uses is important—whether or not the plans for use and development have been funded—and also when the future use or funding is supposed to take place. All those sorts of things are areas delved into clearly and deeply.

The VA properties have been the subject of surveys going back to 1970, at which time certain recommendations were made then to report some of the property excess. I suppose one of the problems associated with these particular properties is there have been general proposals but no definitive plans since 1970 concerning use and development of the properties we're referring to for VA purposes.

Mr. Chairman, I also would like to say that we are compelled by law enacted by Congress to do exactly what we are doing. In fact, the agencies are compelled by law to do exactly what is contemplated under our programs; that is, to review their holdings. If they are not being used for the purposes for which they were acquired, they must report them to GSA. The idea of helping to reduce the national deficit by sale of such properties is, in fact, an objective, but the primary objective is to improve the management of the Government's real estate assets.

Mr. MONTGOMERY. I'm informed that the law we passed recently supersedes what you have just quoted and that there was a feeling of Congress that this responsibility should be in the hands of the Administrator. So it would seem to me, even if we didn't have this

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new law that gave the authority to the Administrator, I am sure it wasn't the intent of Congress to sell everything out there that was in sight that didn't have brick or mortar on it. From what you just quoted to me, it sounds like this is to get rid of everything out there, wherever it is.

I don't think the American people want that. I think it is more going toward the environmentalists, conservation, that I see a lot of that out there now, and that should be considered, too, in the law. And especially where our veterans hospitals are, we have them there and things have built up around them. I'm a big National Guardsman and Reservist. If you let us loose, we would take all that VA land and put motor pools and tanks on it. You know, we would fill it up with military equipment and armories. So I think you're going to have to kind of back off. I would hope you would.

You really haven't followed up at GSA. We have been talking around here for years that you ought to move some of these regional offices out of these expensive rental properties. Like at Wadsworth, you can see the building where the regional office is from the VA grounds. We have been saying for years to take some of that VA land and build a building there. The Administrator of GSA agreed that it's a good idea, but we have never gotten your office to do that.

In Houston, TX, you could do the same thing. Twenty-one sites we have given you, where the regional office is in the same community as the VA hospitals, and nobody has paid any attention to us. Now you come up here and want to sell all the land.

Mr. JONES. Mr. Chairman, those responsibilities and decisions such as that are under the Public Buildings Service. Our primary responsibility in the Federal Property Resources Service is to dispose of unneeded Federal property. We would be pleased to provide you for the record with any responses that you might want concerning collocation or relocation. But that is not an area under my responsibility.

Mr. MONTGOMERY. Well, that gets into the red tape of Government. But I think it is good for the record that we do talk it through. We have come up with some good ideas we think to help save the taxpayers some money, and we've just had to kick and shove in other departments—like on computers for the military. We made suggestions where they could save billions of dollars by using the VA system, and they're fighting us all the way.

We made this suggestion where you could save some money, where you could renovate some of these veterans hospital wards and buildings and put the regional offices in there.

My last question would be how you arrive at these figures. How do you come up with $350 million and then $10 million? Can you briefly tell us for the record how you come up with these figures?

Mr. JONES. We rely heavily upon the evaluation section of the Los Angeles County tax assessor's office. Again, it is a rough estimate of value. If the properties were reported to us, we would contract for a formal appraisal report based on the highest and best use of the property. Whenever we survey property for utilization, we always coordinate with the local tax assessor's office and others

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knowledgeable about real estate in the area to get a feel for the potential value of the property.

Mr. MONTGOMERY. In other words, what you're telling us is there would be high density development and there would be high-rises right next to our veterans properties. I think I can understand why there's some complaints about this situation, because the property would have to—like at $75 a foot, you would have to build big, tall buildings to make it worthwhile.

Mr. JONES. Of course, the ultimate use and development of the property would be contingent upon local ordinances and zoning. We would be selling the property based on its highest and best use.

Mr. MONTGOMERY. The highest and best use.

Mr. JONES. Yes.

Mr. MONTGOMERY. I have some other questions that I will submit for the record.

Dr. Rowland.

Dr. ROWLAND of Georgia. I just want to clarify a point. Your responsibility in this is to do the survey and make the determination as to whether or not the property is excess. You do not make the determination as to whether or not it will be sold; that rests solely with the VA. Is that correct?

Mr. JONES. No, sir. We survey the property and we reach determinations based on information available as to whether or not the property is being used, underutilized, or not being used to its optimum level. Then we make recommendations as to whether or not the property would be reported excess. The decision as to whether or not the property is excess and would be reported excess is still vested in the agency head. If the agency head decides to report the property excess, it comes to GSA and we decide the disposal method.

Dr. ROWLAND of Georgia. So it's a combination decision then.

Mr. JONES. Yes, sir.

Dr. ROWLAND of Georgia. It doesn't rest solely with the head of the agency. And by head of the agency, it would be the VA in this instance?

Mr. JONES. That's right.

Dr. ROWLAND of Georgia. So it's a combination decision, the way you understand it, and not just resting with the VA or with you.

Mr. JONES. It's a coordinated decision, that's correct.

But again, what we're saying, consistent with sound management practices, is that the idea is to review one's holdings. If they are not being used, and if there are no plans to use them then we think, in the interest of sound real estate management, the property should be reported for disposal.

Dr. ROWLAND of Georgia. If the head of the VA made the decision that the property should not be sold, then it would not be sold?

Mr. JONES. If there was adequate justification and rationale—in fact, that's what we're focusing on, to determine whether there is a requirement for the property, a justified requirement, funded and planned for, to be implemented within a reasonable time frame.

Invariably, some of the problems we encounter when we are surveying property is that most agencies say they have plans to use the property, and that might be 20 or 30 years from now, to overly

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state it. It's a generality. What we're saying, under this initiative, both as contemplated by the law and the executive order, is that if there is a use for the property, obviously we would not recommend it be released for disposal.

Dr. ROWLAND of Georgia. But your opinion and the opinion of the VA may differ?

Mr. JONES. That's correct.

Dr. ROWLAND of Georgia. And in the case where there was a difference, and the VA decided that it should not be sold, would that obtain?

Mr. JONES. In that case we would refer the matter over to the Office of Management and Budget for further review.

This is not unusual. The program that we're referring to has been in existence specifically since 1970. There has been a substantial amount of property reported excess, but in the context of Government holdings, a very minimal amount of property is ever reported excess. When you have problems of conflict between GSA and an agency, it is referred to a higher level or another level for decision making.

Mr. MONTGOMERY. Dr. Rowland?

Dr. ROWLAND of Georgia. I yield.

Mr. MONTGOMERY. Mack Fleming has a question.

Mr. FLEMING. Mr. Jones, the GSA or OMB does not have authority to excess VA property. Public Law 98-160 gives authority only to the Administrator for that purpose. I think that's what Dr. Rowland is saying. GSA may be required to go out and make the surveys but whether VA property is excessed rests with the Administrator of Veterans' Affairs. VA may be the only agency or department in Government that Congress has given specific authority to the head of the agency to say no on excessing of VA property. I would call your attention to section 5022(d) of title 38, United States Code, where that authority is set out. OMB can't overrule the Administrator.

Mr. JONES. We recognize the decision is with the head of the agency, but we also recognize, consistent with policy, such decisions are subject to further review. That's where we are today.

Mr. FLEMING. There is no question that the decision to declare property excess in West Los Angeles and Sepulveda is being reviewed by OMB—it goes beyond review. OMB is attempting to make the decision. OMB seems to be saying we're going to declare all kinds of property excess and you, Mr. Administrator, should go along with that policy.

If you get an independent Administrator who decides he is going to do what is in the best interests of the VA, there's not really anything that can be done about it.

Dr. ROWLAND of Georgia. I thank counsel for clarifying that. I wanted to get to the end point about who actually had the final determination and if that could be in any way overruled.

I yield back the balance of my time, Mr. Chairman.

Mr. MONTGOMERY. Thank you, Dr. Rowland.

I want the record to show, too, that I appreciate you always coming to these meetings. You have shown a great interest in these matters.

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Without objection, I'm going to change the order here of our veterans organizations. We all live in town here and we have a friend from Los Angeles that flew in, the Honorable Zev Yaroslavsky, a councilman from the 5th District. Let him come forward now.

Actually, at 10 c'clock we're going in session and we're going to have a number of votes. Then I will ask counsel, Mr. Mack Fleming, to preside after we leave and no Members are here.

Mr. Jones, thank you. We will have some questions for the record. You have been very patient and you have been a good witness.

Mr. JONES. Thank you so much.

Mr. MONTGOMERY. Mr. Councilman, welcome. Your statement will be put in full in the record.

STATEMENT OF HON. ZEV YAROSLAVSKY, COUNCILMAN, 5TH DISTRICT, CITY OF LOS ANGELES

Mr. YAROSLAVSKY. Thank you very much, Mr. Chairman, and members of the committee. I would just like to thank you, Mr. Chairman, personally for the interest you have taken in this issue and sponsoring the legislation that is before you, and taking an interest in our community. It is heartwarming. I hope we can reciprocate when Mississippi State comes out and plays UCLA some time. We'll try to roll over for you. [Laughter.]

Your staff has also been fantastic and we appreciate them coming out.

Mr. MONTGOMERY. I understand that you flew in on the "red eye" this morning.

Mr. YAROSLAVSKY. Yes, and I'm going to try to stay awake.

Mr. MONTGOMERY. It gets pretty dull around here sometimes, but maybe we can keep you awake.

Mr. YAROSLAVSKY. Okay. It has been pretty interesting.

I want to submit to you for the record not just my testimony but a copy of the resolution of the Los Angeles City Council supporting H.R. 4204.

Mr. MONTGOMERY. Without objection, that will be put in the record.

Mr. YAROSLAVSKY. I have with me four aerial photos of both the Sepulveda site and the West Los Angeles site, which I will leave here for your records and for your perusal later on.

It is hard to say anything beyond what has already been said and I will try not to be redundant. This area of Los Angeles is an area that I represent, in part, in the City Council. It is represented by Congressmen Beilenson and Berman, and by LA County Supervisor Edmund Edelman, on whose behalf I am speaking today as well.

The West Los Angeles property is located in one of the highest density areas of Los Angeles. In fact, the intersection of Wilshire Boulevard and Veteran, which is the gateway to the VA property, is the most congested intersection in the entire city of Los Angeles and one of the most congested in the world. Over 110,000 cars a day traverse that intersection today.

To put it in context, the city as well as the county have been rolling back the zoning and have been cutting down building rights in

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that area. There is currently an initiative being circulated by citizens in Los Angeles to cut commercial building rights all over the city. So the political and land-use context in which this discussion takes place should raise some questions about the financial assumptions that the GSA has made about the value of this land.

The sale of 2 or 3 acres of land adjacent to the VA property just a few weeks ago came in at approximately half the price that was estimated by the GSA. They estimated that close to $8 million would be brought in for a piece of land on Sepulveda Boulevard, and only $4 million came out of it—and that's under a cloud now, as well. So on all those counts, I would really urge a critical questioning of the financial assumptions that are being made.

I also want to suggest, as you well know, that Federal lands are not subject to our zoning laws, either the city's or the county's, but once they do come under private ownership, they are subject to our zoning laws. There is no telling how restricted that zoning might be given the political pressures and the environmental and conservationist considerations that exist.

I would also like to emphasize to the committee that this land was donated to the Government again for the sole use of the National Home for Disabled Volunteer Soldiers and, as I'm sure you know, now the Veterans' Administration. The heirs and the families whose ancestors originally donated this land have been in touch with us, as they have with Federal Government officials, and have indicated they will legally challenge the sale of this property. This will surely add to the list of doubts that any private individual who wants to buy this property at a public sale would have to consider.

I would also like, on behalf of my colleagues in the city, to discuss the implications briefly of the sale and development of the Sepulveda property in the San Fernando Valley. The sale of 41 acres in this area could fundamentally alter the character of the surrounding single-family residential community and threaten the Mission Hills Little League baseball diamonds and the Mission Hills public golf course. I must say that to balance the Federal budget on the back of the Mission Hills Little League is something that we don't look kindly on.

As in the case of the West Los Angeles site, development of this site would be vigorously opposed by the surrounding residents and the city, as there are no alternative sites for recreational activities anywhere in the immediate area.

One last word in conclusion, Mr. Chairman. There was discussion earlier about what would happen if we just parceled out a little piece of the VA and let it go to its highest and best use. As I am sure you will be able to see from the pictures, this is a gorgeous place for veterans. It is a campus-like atmosphere. In the middle of dense, urban America, here is a beautiful, pastoral environment for people who need it, who want it, people who have served our country. You can only destroy it once, as you suggested many times this morning. It only goes once. Once you have built the high-rise on it, that's it. You crowd in the VA property, you crowd in the hospital, you crowd in the cemetery, and you'll have high-rises circling that cemetery. It would be a travesty.

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Let's leave it as open space. This has been in the public domain for decades and it has served veterans well. It has served our city well. It serves many communities well.

In conclusion, the decision to sell and develop either of these properties, in West LA or the Sepulveda area, is not in the best interests of the public, the needs of the 1.2 million aging veterans located in California, or the future of the Veterans' Administration itself.

Again, Mr. Chairman, and members of the committee, I want to thank you for your interest.

[The prepared statement of Hon. Zev Yaroslavsky appears on p. 71.]

Mr. MONTGOMERY. Thank you, Mr. Councilman. That was a very fine statement. I think your point hit home when you talked about balancing the Federal budget on the backs of the Little League. We recognize that and you're on the right track.

I come out of private enterprise. I would be a little concerned about buying this property if I knew that it was going to be involved in litigation. What I would do would be to come in and consider what the litigation is going to cost me over 5 years and try to buy it at a reduced price. That's probably what's going to happen, if we can't stop it. Is that correct?

Mr. YAROSLAVSKY. We already have experience in this very area just in the last several weeks. I would suggest the GSA ought to address that. They have the experience. Their own estimates, U.S. Government estimates, were off by a factor of half, by a factor of half. They said it was going to bring in $8 million. It was a property of about 2 acres right next to the VA property that was used as a bus terminal for airport transit, public use. The Feds decided they wanted to sell it off. The GSA said it's going to bring us in $8 million. They sold it at a public auction and the highest bid was $4 million—and they haven't accepted the bid yet.

So I would say, in light of that experience, this $350 million estimate might want to be revised down by at least half. And that was nothing compared to this. When the county of Los Angeles and the city of Los Angeles get through taking a look at what the potential buildout of these sites are, it's not only legal action that the owner may be looking at, but it's very substantial zoning action that they may be looking at as well. So what they see as the highest and best use today may not be the highest and best use 6 months from now.

Mr. MONTGOMERY. You might explain for the record that there are several high-rise buildings now being constructed on Wilshire Boulevard near the West Los Angeles VA Medical Center. Why did the city allow more construction in this area?

Mr. YAROSLAVSKY. Well, that's a sore spot. As the councilman of the area, I tried to cut that down by almost half. But in fairness to the overall picture, Wilshire Boulevard was master planned for those four high-rises. We did not change the plan at the last minute to reverse that.

I want to say that the Westwood community plan, which is a part of the city's general plan, is now under review. There is a proposal to cut building rights in this entire plan area by half, as we speak. I am pretty certain the city council will approve that.

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The only reason they didn't stop the four buildings in question was because they were consistent with the plan and they had gotten their building permits, and were on their way. That would not be the case here.

Now, three of the city's busiest intersections are here, including the most congested intersection of all. They're only going to be exacerbated by what is being constructed now and it will not lend any more environmental credence to further development in the area.

Mr. MONTGOMERY. Thank you.

Dr. Rowland.

Dr. ROWLAND of Georgia. Mr. Chairman, Councilman Yaroslavsky calls to mind again what is happening in my home town, where we have a VA—you mentioned the Little League. There are two ball diamonds on the VA property there that the VA so graciously makes available to the citizens in Dublin, the adult softball league and the Little League, that helps to cement the relationship between the VA and the community there. It does a great deal for public relations and makes the people in Dublin glad to have the VA there. It makes them proud of it. So I think you're damaging that kind of relationship when you sort of cut the VA off from the community itself. So I agree with what you said in every respect.

Thank you, Mr. Chairman.

Mr. MONTGOMERY. Thank you very much, Mr. Councilman, for being here. You have been very helpful. It seems most people are in agreement out there not to sell that property and would oppose it.

Mr. YAROSLAVSKY. There is no one who is supporting it, that represents any part of the public sector. And, Mr. Chairman, if we can be of any further help at any point along the way, feel free to call on us.

Mr. MONTGOMERY. I would still like to go back. The bill we introduced gives us a vehicle. I would certainly hope the administration would not move forward on it If the President would veto the bill, then we would have to tack it on to some type of bill that he would not want to veto. It gets kind of messy, really. I would hope the administration sees the strong feelings. As far as I know, no Members of Congress have asked to come over here and testify for selling the properties. If they do, we'll sell the properties in their districts. [Laughter.]

Thank you very much.

Mr. YAROSLAVSKY. Thank you.

Mr. MONTGOMERY. Let's now have our service organizations come to the witness table. We will start on my left and I'll let you introduce yourselves and then come right on across.

Mr. SCHULTZ. Thank you, Mr. Chairman. I am Rick Schultz of the Disabled American Veterans.

Mr. MORAN. Bob Moran, Paralyzed Veterans of America.

Mr. THORSON. Gordon Thorson, Veterans of Foreign Wars.

Mr. EGAN. Paul Egan, the American Legion.

Mr. KIRK. Rod Kirk of the American Legion.

Mr. MONTGOMERY. Okay, Mr. Schultz.

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STATEMENT OF RICHARD F. SCHULTZ, ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; GORDON R. THORSON, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; AND RODNEY S. KIRK, ASSISTANT DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION

STATEMENT OF RICHARD F. SCHULTZ

Mr. SCHULTZ. Thank you, Mr. Chairman. It is a pleasure for us to testify here today and we commend you for your timely oversight hearings, especially on the issue of excessing of VA's properties in California. As we had testified before the Senate on a similar measure, we feel that H.R. 4204 is a good bill and the DAV supports that. We are against the excessing of property in Los Angeles and Sepulveda.

On the issue of collocating VA regional offices on medical center grounds, as we had testified again before this committee last year, we generally support collocation. However, in supporting that we must say that we have to look at how the services to veterans are affected. If, in fact, collocation has been shown in all cases, as has been shown by our people in the field, to be good, then we do support that. So long as the services for veterans are as good or better, then we certainly support collocation.

Mr. MONTGOMERY. I don't know why we would move it if it wasn't going to be better. But I have been to some of these regional offices and, especially disabled veterans, have a few signs out there were you can park. But they're hard to get into. I just think the veteran is better off coming in on his own ground, on his own turf, and having a place to park and to be respected on the VA hospital grounds. It just makes a lot of sense to me.

Mr. SCHULTZ. Yes, Mr. Chairman. People we have talked to, especially people out in the field, have said it's good. "One stop shopping" was one of the phrases used, and it's a lot easier for service organizations who cover the medical center and the regional office to have the veteran right there at the same location. So as I said, in those instances we fully support that.

Possibly there may be an instance where collocation wouldn't be desirable because of the physical layouts or something. However, as we have seen so far with collocation, we support that.

[The prepared statement of Richard F. Schultz appears on p. 75.]

Mr. MONTGOMERY. Minority counsel would like to ask one question.

Mr. KINGSTON SMITH. Mr. Schultz, isn't it likely that, where new buildings must be constructed for regional office facilities for collocation, accessibility for handicapped veterans might be better than existing regional office buildings?

Mr. SCHULTZ. Absolutely, especially if they have to conform with construction standards which would build the accessibility right into the building when it's first constructed. In most cases I would say yes, it would be much better.

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Mr. MONTGOMERY. Does that complete your statement?

Mr. SCHULTZ. Yes, Mr. Chairman, that completes my statement.

Mr. MONTGOMERY. Okay.

Dr. Rowland and I are going to have to leave. I know we're going to get a vote in 5 minutes.

Next is Bob Moran of PVA. He stays around here more than I do. Where is your office around here?

Mr. MORAN. It's down the hallway, a cot in the corner. [Laughter.]

To know what's going on, you have to be around here. So I guess that's a compliment.

Mr. MONTGOMERY. Go ahead, Bob.

STATEMENT OF BOB MORAN

Mr. MORAN. Thank you, Mr. Chairman, and members of the subcommittee. I will summarize very briefly.

We appreciate the opportunity to express our views concerning the status of plans for relocating regional offices to VA medical center grounds and the declaring of certain VA land as excess. Collocation is an issue that is of significant importance to the members of PVA. It is on behalf of these veterans who have daily contact with medical facilities and regional offices located throughout the United States that we present our views in our testimony here today.

Establishing a program to collocate VA facilities reduces duplication of costs of providing General Services Administration rental and/or leasing, security and maintenance services, motor pools, and most, if not all, overhead expenditures involved in the operation of two facilities versus one.

The concept of collocation is more cost effective, while providing the VA the enhanced ability to provide service in a more efficient and timely manner to the veteran at a single location. Therefore, PVA recommends that, in light of the budget restraints the VA is being faced with, coupled with the potential cost savings involved, a program of collocation by the VA should be accelerated and utilized wherever feasible.

Lastly, Mr. Chairman, PVA supports your bill, H.R. 4204, which would prohibit the VA in declaring land excess and thereby disposing certain parcels of land located at the VA medical center in West Los Angeles, California and at the VA medical center at Sepulveda, California.

This measure, according to the administration, would generate an estimated $360 million in revenues for the Government, which is clearly a proposal initiated by OMB and not the VA. PVA believes the most important factor that should be considered is that, as long as the VA would need the land for future VA facility expansion, the land should be retained by the VA.

In conclusion, PVA is aware that this is a time of challenge and we are concerned about the American taxpayer and the need to spend Government funds as efficiently and as effectively as possible. Therefore, our comments to these proposals, collectively, are to assist you in improving service to veterans and at the same time be cost effective where possible.

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That concludes my statement.

[The prepared statement of Bob Moran appears on p. 80.]

Mr. FLEMING (presiding). Mr. Thorson.

STATEMENT OF GORDON R. THORSON

Mr. THORSON. Thank you, sir. I am very pleased to have an opportunity to appear before this distinguished subcommittee and express the views of the Veterans of Foreign Wars.

We will oppose any blanket, system-wide collocation of VA regional offices. We also oppose any indiscriminate excessing of VA land. Our position is detailed in the written testimony already presented to this subcommittee.

I would like to advance two additional thoughts, however. Number one, after the initial expense of planning and construction, collocation does appear to offer the Veterans' Administration an opportunity for long-term savings. However, the VFW will not support any proposal that would unduly impact the effectiveness of VA regional offices to deliver service to veterans. The current high quality of health care benefits and services to veterans and their families should be maintained as the Veterans' Administration becomes increasingly cost efficient.

Thought number two is the excessing of VA real property should also be given careful review on a case-by-case basis. The land now under consideration in southern California is a prime example of valuable VA property too quickly declared excess. This land is much too precious to discard. Our written testimony, already of record, offers some suggested uses for this land.

But there are other numerous land uses available. For instance, it is our understanding that the University of California, UCLA, has made numerous offers to share in the cost of adding facilities such as a heart center, a center for health planning, an expanded ambulatory care unit, a geriatric unit, added research buildings, et cetera, all at the West Los Angeles VAMC facility.

We further understand that the California State Legislature has already allocated over $300,000 to study the feasibility of building a State veterans' home in southern Calfiornia. Inasmuch as the VA already has available land located in close proximity to VA hospitals, it is highly probably that the State would elect to build their State veterans home on VA land, if given the opportunity.

It appears that this so-called excess land in California will be needed in the near future. Many of the proposed land uses now under consideration would likely be enhanced medical care for veterans while advancing medical research and knowledge beneficial to our entire nation.

Thank you for listening. I am prepared to respond to any questions.

[The prepared statement of Gordon R. Thorson appears on p. 84.]

Mr. FLEMING. Thank you, sir.

Mr. Egan.

STATEMENT OF PAUL S. EGAN

Mr. EGAN. Thank you, Mr. Fleming. Rod Kirk will summarize our statement.

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First of all, there are a number of our field service reports that suggest there are several instances where VA property at VAMCs around the country has been released and subsequently has caused either local problems or the VA was subsequently unable to get that property back. Two examples that come to mind, one was in Cheyenne, Wyoming and another in Roseburg, Oregan, where former Memorial Affairs Director Paul Bannai indicated that they had released 500 acres and subsequently were unable to get even five of those acres back for the purpose of establishing a cemetery.

Secondly, we share the Chairman's expressed concern about leasing property in West LA. We suspect—of course, we have no way of knowing—that leasing the property might be seen by a court to constitute a use of the property other than for veterans and might, therefore, justify an execution of a reverter of the property back to the heirs.

Mr. FLEMING. Mr. Kirk.

STATEMENT OF RODNEY S. KIRK

Mr. KIRK. Thank you, Mr. Fleming.

The American Legion is most familiar with the situation at Los Angeles as we have been in consultation with the American Legion of California for the past decade on this issue alone. The American Legion will continue to oppose the transfer of any portion of the land herein discussed to anybody for any purpose other than to continue to provide care to veterans.

The complex of land described herein encompasses a wide variety of activities, for the care of perhaps the largest single concentration of veterans to be found in the nation. There is no possibility that the scale of veterans' activities now being carried out in the West Los Angeles area will in any way be scaled down.

We would urge this subcommittee and the full Veterans' Affairs Committee to continue to use any means available to block any attempt by the General Services Administration to force VA to declare this property as excess while the results of the recent VA site visit are being analyzed and the legal entanglements surrounding the West Los Angeles property are being worked out.

As a closing point on this subject, we feel it should be stated for the record that since 1950 the VA has declared as excess to its needs over 40,000 acres of land.

A second issue we have been invited to address pertains to the issue of collocating VA regional offices. The American Legion generally supports the collocation of ROs and VAMCs, and we recommend the practice be expanded, where possible, in those instances where such a combination of activities will provide maximum accessibility and convenience to veterans and that will be cost effective through the combination of administrative and support services.

When researching this issue in the past, we contacted several of our American Legion service officers. The information we obtained is essentially uniform and consistent. We learned that in all instances, although there is a sharing of campuses, each RO and VAMC is separately budgeted, one in the Department of Veterans' Benefits and the other in the Department of Medicine and Surgery.

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And, of course, the DVB and DM&S budgets are based on different criteria. We did not learn, however, that the budget methods now used resulted in any special problems.

Each of our service officers spoke unanimously and enthusiastically about the fact that the sharing of campus enhances their ability to provide service to their clientele. It seems to us the VA and its clientele can only gain through the establishment of as many collocated facilities as available acreage will accommodate.

The American Legion's working service officers with whom we spoke pretty much made this their stated position. All of our service officers spoke positively of practically all aspects of collocation, including supportive and responsive management policies.

We understand that studies are being conducted at 28 additional locations to determine the feasibility of collocation which, if found to increase efficiency, would take place during the period from 1988 to 1991.

It must be noted, however, that in almost every instance major construction funds would be required, thereby identifying the reason OMB is opposed to this concept. However, one need only look at situations like the Los Anegles and San Francisco regional offices, where VA leasing costs alone exceed $6.9 million a year, to see that the cost-effective issue is a valid concern.

As previously stated, the American Legion, based on a case-by-case review, will support those proposals where such a combination of activities will provide maximum accessibility and convenience to veterans, dependents and survivors, and that will be cost effective through the combination of administrative and support services. However, we will oppose any such proposal that is inconsiderate of the needs of VA beneficiaries, for adequate transportation and immediate accessibility, and that would not be situated at a location that would provide maximum availability of personal services to the veteran population residing in the jurisdiction of the regional office.

The American Legion thanks this subcommittee for receiving our views.

[The prepared statement of the American Legion appears on p. 90.]

Mr. FLEMING. Thank you very much, Mr. Kirk.

Mr. Egan, you cited a couple of examples. When did the excess problem arise in Wyoming? We can ask the VA witnesses, but—

Mr. EGAN. We can certainly provide that for the record.

Mr. FLEMING. Was it recently?

Mr. EGAN. Recently.

Mr. FLEMING. The agency excessed 500 acres and then had difficulty getting part of it back at a later date?

Mr. EGAN. That was in Oregon. That's what we understood from former Memorial Affairs Director Paul Bannai.

Mr. FLEMING. We will explore it further with the VA witness.

The VFW's statement seems to be a little more cautious—I guess that would be the proper term—in reference to the collocation issue. What evidence would the VFW expect to satisfy its concern that collocation be clearly shown to—and I'm using your words Mr. Thorson—"to enhance services for veterans using that facility." Would there ever be a case where putting the VA regional office on

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the hospital grounds would not enhance services to be provided to veterans? I think the chairman indicated parking was one consideration, and there are others.

Mr. THORSON. Certainly accessibility—

Mr. FLEMING. I guess what I'm asking is, why such a cautious statement regarding—

Mr. THORSON. Well, in June of 1985 our organization conducted a survey of the proposed sites. After surveying those sites and talking to our field representatives, there were four sites that they indicated were inaccessible to veterans in the community. As a result of that, we thought we would like to bring that to your attention.

Mr. FLEMING. What four sites are those?

Mr. THORSON. The four sites that we had a problem with were the location in New York, Newark, Chicago, and San Francisco at Livermore. Those four sites we had a problem with, inasmuch as our field representatives felt that it would be difficult for the veterans in that area to obtain access to that facility, difficult travel to the facility. As I remember, public transportation wasn't easily available. That's one of our concerns.

Mr. FLEMING. The chairman has never indicated that he would be enthusiastic about VA proceeding to relocate a regional office, let's say, that is 50 or more miles away from the hospital. He would like to start by relocating those that are in the same city. There are specific ones that have been identified. Take Columbia, SC, for example, where you have the regional office in the most expensive part of downtown Columbia and the hospital 5 or 6 miles away in the same city. It is a good example where collocation makes sense. So I'm certain the chairman is not talking about collocation where VA would literally move the regional office a great distance that would complicate transportation plans for employees..

Mr. THORSON. Our survey was conducted from information that we had, indicating the 27 proposed regional office sites and the proposed relocation sites with the medical center.

Mr. FLEMING. Given the pace, the slow pace, if you will, of VA proceeding to do anything on collocation, we may be talking years before we can get the ones that obviously could be done now.

Mr. THORSON. I guess the point we would like to make is that we want to ensure that collocation would not diminish the quality in any way of the service our veterans are now receiving at the present locations. We just want to ensure that when that regional office is collocated on a VAMC facility, that the level of service now available is maintained. That's basically where the VFW is coming from.

Mr. FLEMING. All right.

As always, it is a pleasure having you before the committee, and we enjoy working with all of you.

Mr. EGAN. Let me just say one thing, Mr. Fleming. We certainly appreciate the order in which the witnesses appeared this morning. It's a refreshing departure.

Mr. FLEMING. The chairman felt that for this particular hearing it was important that the VA witness and staff hear the GSA testimony as well as the testimony of the service organizations. That is the reason the agenda was set up the way it is. But I appreciate your comments, Mr. Egan. Thank you very much.

Mr. EGAN. Thank you, Mr. Fleming.

Mr. FLEMING. We will hear from the Veterans' Administration—Ms. Livingstone, Dr. Gronvall, Mr. Coy, and Mr. Vogel. It is always a pleasure to have you folks with us. Which one of you will speak for the agency?

Mr. VOGEL. Mr. Fleming, I will present the statement for the agency.

Mr. FLEMING. Mr. Vogel, you may proceed.

STATEMENT OF JOHN VOGEL, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION; ACCOMPANIED BY JOHN A. GRONVALL, DEPUTY CHIEF MEDICAL DIRECTOR; ROBERT E. COY, DEPUTY GENERAL COUNSEL; AND SUSAN LIVINGSTONE, ACTING ASSOCIATE DEPUTY ADMINISTRATOR FOR LOGISTICS

Mr. VOGEL. Thank you, Mr. Fleming.

I am John Vogel, Chief Benefits Director, and it is a pleasure to appear before you this morning to discuss our efforts toward collocation of VA regional offices on medical center grounds. With me is Dr. John Gronvall, Deputy Chief Medical Director, who will present VA plans to declare excess to agency needs certain real property in California. Also with me is Susan Livingstone, the Associate Deputy Administrator for Management and the Acting Associate Deputy Administrator for Logistics, and Robert Coy, the Deputy General Counsel.

With regard to the issue of collocation, in 1983 the agency, through the Department of Veterans Benefits and the Department of Medicine and Surgery, surveyed all medical centers to determine if suitable land for construction and/or buildings satisfactory for housing DVB activities were available. As a result of this survey, medical centers with potentially suitable buildings or available land were matched with appropriate regional office activities.

A number of factors influenced decisions made in developing plans for collocation. Of primary importance was the time frame within which existing buildings could be made available for renovation or would become available as a result of a new hospital construction. Also, we considered the condition of the existing physical plant of potentially available buildings for the regional office activity, including health and safety factors, working conditions, need for realignment or renovation to enhance operations, and any impending increase in rent. Our concern is to minimize total Federal costs, whether for leased or Federally-owned property, by creating cost savings for VA without creating an excess of GSA-owned or long-term leased property.

As a result of this process, we identified 28 sites for consideration as collocation projects. Of these sites, 25 are being further developed as possible major construction projects—that is, estimated project cost of $2 million or more. They are—and I will read the list, if I may—from regional office to medical center:

From Fargo to Fargo; from Wichita to the Wichita Medical Center; in New York, three locations are under consideration, St. Albans, Brooklyn or Northport; Newark to East Orange; Reno to Reno; St. Paul to Minneapolis; Chicago to Hines; Des Moines to either Des Moines or Knoxville, IA; Los Angeles to Los Angeles;

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Winston-Salem to Salisbury; St. Petersburg to Bay Pines; Houston and Montgomery to medical centers in those same two cities; Boston to either Boston or Brockton; Detroit to either Detroit or Allen Park; Hartford to Newington; Cleveland to the Brecksville facility in Cleveland; the regional offices now in Boise, Columbia, Indianapolis, Lincoln, Manchester, St. Louis and Phoenix to medical centers in those same cities; and lastly, Roanoke to Salem, VA.

The other three identified locations—Milwaukee, Little Rock and San Francisco—have been deleted from the major construction planning because the Milwaukee Regional Office has been collocated on the Wood, Wisconsin Medical Center grounds in a renovated building as a minor construction project—that is, the estimated project cost was $2 million or less.

The Little Rock Regional Office is in the planning stages as a minor construction project for renovation of an existing building at the North Little Rock Medical Center with an anticipated project completion date of April, 1988.

The San Francisco Regional Office collocation to either Livermore or Palo Alto was determined to have too many obstacles involving site location, seismic problems in existing buildings considered under the renovation option, client accessibility problems because of the distance from the main urban centers serviced by the regional office, the cost of housing in the area for employees who may have wished to relocate, and the higher than normal estimated loss of workers because of these problems.

Of the remaining 25 possibilities, it is stressed that the final determination as to whether to collocate must rest on the completion of economic analyses required by OMB Circular A-104; the priority of collocating projects versus other VA major construction projects; the expected savings for operating expenses; and an assessment of the total costs to the Government on choosing the collocation option.

To date, eight studies have been undertaken. These studies, which are now being reviewed internally, have included an analysis of the costs for leasing, purchase and construction alternatives. They compare present worth values of alternatives based on OMB Circular A-104, requiring all predicted costs associated with the different alternatives be calculated for a given number of years and discounted to the present. Only factors which can be measured in dollars are included. The analysis deals with differing costs and attempts to relate them as a basis for making decisions.

Preliminary indications are that in some cases VA construction, either new construction or renovating an existing building, may be more economical to the VA than continuing to lease space from the General Services Administration.

Possible return of our Fargo and Wichita Regional Offices to VA Medical Center grounds has been given immediate priority. In each case, the Fargo Regional Office and Fargo Medical Center and the Wichita Regional Office and Wichita Medical Center are administratively combined and designated as VA medical and regional office centers with both DVB and DM&S elements reporting to a single director. Space is available at both locations for construction of a DVB building. Regional office activities were originally physically located at these medical centers, but were later separated to

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alleviate space deficiencies brought about by expanding medical-related functions. Separation was the only alternative at that time. With GSA's assistance, in 1979 the Fargo DVB elements were moved into an old post office building on an "as is" condition. The regional office activities at Wichita were relocated to a leased building in 1978.

For both regional offices, economic analyses are being updated for review to assist the agency in determining the possible inclusion of both projects in the fiscal year 1988 major construction budget.

A collocation agreement was signed by the Chief Benefits Director and the Chief Medical Director on November 5, 1980, to collocate the Houston Regional Office with the Houston Medical Center. This agreement was based on the fact that existing medical center buildings to house DVB activities would be available upon completion of the replacement hospital, currently scheduled for December 31, 1990. GSA was notified of our intent to relocate the regional office to medical center grounds and voiced no objections as long as VA coordinate the timing of collocating with the expiration of GSA leases. An economic analysis, which would include evaluating costs of continuing to lease private space, is now being internally reviewed.

An economic analysis for the proposed collocation of the St. Paul Regional Office and Insurance Center with the VA medical center in Minneapolis was completed on February 13, 1985. This study included the collocation of the regional office, insurance program and data processing center functions. With the closing of the St. Paul Data Processing Center on February 28, 1986, and our proposed consolidation of the insurance program to the Philadelphia VA Regional Office and Insurance Center, a new study addressing only the regional office requirements is needed to determine the cost effectiveness of collocating the St. Paul VARO with VAMC Minneapolis.

We have been successful in collocating our Milwaukee Regional Office with the VA Medical Center at Wood, WI. This collocation, which was completed in October, 1983, was made possible through the restoration of an existing building on the medical center grounds. Although this collocation produced an improved situation for the veteran and this agency, GSA has been unable to back-fill the space that was to be occupied by the VA.

In addition to the regional offices in Fargo, Wichita, St. Paul, San Francisco and Milwaukee, we are in the preliminary stages of addressing the collocation possibilities involving the regional offices in New York, Newark, Montgomery, Reno, St. Petersburg, and Los Angeles. Identified in the 1983 DVB and DM&S survey of potential collocation sites, these stations are considered promising possibilities because of the age and conditions of the current locations, the escalating rent payable to the GSA, and the potential service benefits to clients, the agency and the Government as a whole.

Collocations should promote the efficiency of VA operations in the areas of supply, protection and security, transportation and communications, and workforce morale. The agency's clientele will benefit from the availability of one-stop service.

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GSA has no problem with collocation of functions where such action is cost effective and in the decisionmaking process consideration is given to the impact such actions will have on GSA-held work space. VA, in turn, will generally only pursue collocation at those sites where collocation is economically beneficial for the Government as a whole.

We are progressing positively toward a successful program of collocating regional offices on medical centers and we wish to continue working with the committee in furthering our abilities to service the veterans of this country.

Mr. Fleming, this concludes my statement. I would like to now introduce Dr. John Gronvall, the Deputy Chief Medical Director, to address the issue of excessing VA-owned land. I will be pleased to respond to any questions that you or members of the subcommittee may have upon the completion of Dr. Gronvall's statement.

[The prepared statement of John Vogel appears on p. 171.]

Mr. FLEMING. Thank you, Mr. Vogel.

Dr. Gronvall.

Dr. GRONVALL. Thank you, Mr. Fleming. It is a pleasure to be here. I should note parenthetically that, of course, those of us in the Department of Medicine and Surgery have worked cooperatively with our colleagues in the Department of Veterans Benefits on the whole collocation issue, so I align myself with all of the comments that Mr. Vogel has made.

The background facts on the issue of excessing land are, I think, well in evidence before the committee and I'll just highlight a few of the key points in order to describe the current status of the matter. I will do this in very abbreviated fashion.

In 1983, the General Services Administration did survey the West Los Angeles and Sepulveda medical centers. Those surveys by GSA concluded that certain parts of the land at those two medical centers were underutilized or not utilized and this, then, led to the development of an administration proposal late last year, as a part of the 1987 budget development process, to recommend disposal of 109 acres at West Los Angeles and 46 acres at Sepulveda.

Within the VA we agree with the position that, where land cannot be reasonably shown to be needed for our mission now or in the future, it should be made available either to other parts of the Government or be sold.

The VA notified Congress on February 5, 1986 of its intent to declare this property at West Los Angeles and Sepulveda as excess. A new Administrator having been just appointed, asked that the entire matter be reviewed. So, to carry that out, we formed a task force with appropriate representation of all parts of the VA. That task force visited the two sites late in March and at the present time a detailed report is in preparation to document all of the information collected by the task force regarding the present and projected future uses of all of the land in question.

That report is in a final draft phase. At the present time the department heads in the VA and appropriate staff are reviewing that draft report, and the Administrator indicates that in the very near future he will make a decision regarding the land in question.

I should say in closing that the VA does not support the proposed legislation which is being considered before this committee that

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would prohibit, in blanket fashion, excessing this land. As I have just commented, a reevaluation of each of the parcels of land is underway. It is our position that land necessary for future VA needs will not be excessed, and we believe that the legislation being proposed would, in fact, unduly limit the Administrator's discretion in making that determination. That, we believe, would not be in the best interests of either the VA or the taxpayers.

Mr. Fleming, that concludes my opening summary. I, too, will be pleased to answer any questions. Thank you.

Mr. FLEMING. Thank you, Dr. Gronvall.

Ms. Livingstone, do you have any remarks you would care to make?

Ms. LIVINGSTONE. No, Mr. Fleming. I am just here to help respond to questions.

Mr. FLEMING. All right.

Mr. Coy, has the General Counsel made a determination as to the legal problems that may arise from the excessing of the property at West Los Angeles? Could you just enlighten us a little bit on what the General Counsel thinks of that?

Mr. COY. Well, for a number of years the whole issue of what type of restrictions were associated with the grant of that property have come into question. Frankly, it is not all that clear.

The basic issue is that when the land was given, the original grantors intended that it be used permanently for the National Home for Disabled Volunteer Soldiers. The legal question is whether that is a condition subsequent or a personal covenant.

We think, in light of some of the current decisions which seem to favor covenants as opposed to conditions subsequent in California law, that a reasonable conclusion could be reached that the VA would be free to dispose of that property. However, I would think that the only prudent approach to take—not only for the Government but for a purchaser—would be to go through a quiet title action. Title 38 does provide that the Department of Justice does have the discretion to do that in land which was obtained in this fashion. It would seem to me that this is the only way that the question is going to be resolved because at this point in time, while we believe that's the trend in the law, it is by no means clear. Of course, that is not attempting also to address the code problem with respect to building codes that would become relevant, not to us as the Federal Government, but would become relevant to a new purchaser. So that is the state of the legal matter.

The Department of Justice, in about 1968, wrote a letter in which they concluded that it was a fee simple title and that we were free to dispose of it, but that letter also did not attempt to distinguish between covenants and conditions subsequent, and it may not have analyzed all the legal aspects. That is why we have arrived at the conclusion that the best approach is to get a quiet title action.

Mr. FLEMING. And how long would that take—I mean, given the best scenario for the selling and colsing of this property, would there be any savings at all in fiscal year 1987?

Mr. COY. Not in that jurisdiction, with the backlog they have in the courts there. Furthermore, it is reasonable to assume that there will be an appeal.

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Mr. FLEMING. So you could be talking several years, even if you were successful in the litigation?

Mr. COY. No question. The heirs have obtained the services of one of the biggest and best law firms in that area, who must believe there is a cause of action on behalf of their clients. So it is reasonable to assume, if they are going to go that route, they're going to litigate this thing to its fullest, which would be time consuming.

Mr. FLEMING. Mr. Smith.

Mr. KINGSTON SMITH. Thank you, Mr. Chairman. I just want to follow up with one question along this same line.

Can you give any estimate of the cost of a quiet title action to the Government?

Mr. COY. I really couldn't. I could try to provide it for the record. Obviously, the Department of Justice would be involved, and to the extent it utilizes the time of a number of individuals, there is a cost. But it is a cost that would probably be covered by their current personnel, which is hard to say what that would be.

Mr. KINGSTON SMITH. Certainly such costs would have to be offset against potential profit to the Government, wouldn't they?

Mr. COY. Obviously there would be some costs in defending that litigation, yes.

Mr. KINGSTON SMITH. Thank you.

Mr. FLEMING. Go ahead and ask your other questions.

Mr. KINGSTON SMITH. Mr. Hillis was present at the beginning of the hearing and submitted his statement for the record. I would like to read a portion of the statement. Mr. Hillis certainly favors the concept of collocation and has been a supporter of it.

He does say in this statement, though, that he is "concerned that some of the early cost estimates for collocation seem very high. The new regional offices will have to be Fords, not Cadillacs. If costs cannot be held down for specific collocations, plans for them should not go forward until the costs are under control. The VA simply cannot afford any fancy office buildings when budgets are being reduced for so many activities which veterans need."

Is there any specific action being taken to hold down the costs of constructing new regional offices for the purpose of collocation?

Mr. Vogel?

Mr. VOGEL. I can only speak to two collocations, one of which is complete and one that is just underway. The movement from downtown Milwaukee to the Wood Medical Center, and that which we are formulating for North Little Rock, from downtown Little Rock, are minor construction projects and they are definitely not Cadillacs. They may be Fords. We are holding those costs down in those projects, witness the fact they're coming in as minor construction.

As to the total construction for other identified facilities and the cost of them, I would have to defer to others.

Mr. KINGSTON SMITH. The first cost estimate at Little Rock was how much? That was a major construction project originally, wasn't it?

Mr. VOGEL. Yes, it was. It was in excess of $3 million, if my memory serves me, $3.4 million. That estimate was done without actually visiting the site. Earlier this year we had the opportunity, together with the Office of Construction, to meet with estimators,

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engineers and planners, with local management at Little Rock, and we have worked that out and committed under $2 million. We think it will be a fully adequate facility for the Department of Veterans Benefits.

Mr. KINGSTON SMITH. The current projection for Little Rock then is how much?

Mr. VOGEL. We are projecting that at $1,900,000.

Mr. KINGSTON SMITH. We would certainly hope that similar second looks could be taken at some of these other projects for significant savings of that magnitude.

Ms. LIVINGSTONE. I might add to Mr. Vogel's comments on that. We do share Congressman Hillis' concern about the cost of all construction, our regional office collocations included. Certainly, in order for us to be able to support our program, we're going to be doing everything possible to hold those costs down. That includes the benefit of renovations, where possible, because that's always the most cost-effective way of meeting that need.

In addition, should we get underway a program of collocation that involves a number of facilities, we may look into what prototypical types of programs and prototypical types of designs would affect cost savings, not only on architectural engineering services but also to incorporate just good space planning.

Mr. KINGSTON SMITH. When will the OMB Circular A-104 studies mentioned on page 4 of the testimony be completed, and would the VA please provide them as well as other economic cost data to the subcommittee when they're available?

Ms. LIVINGSTONE. Most of them are completed at this point, and we would be pleased to provide them to the committee. The oldest one, Togus, was done in 1982 and resulted in the construction of a new facility to house the Togus Regional Office on the site of the medical center there. We also have a number that are underway, about three to six, I believe, that will be underway this fiscal year 1986. We would be pleased to provide for the record a list of those.

[The requested information appears on p. 184.]

Mr. FLEMING. Will the result of those studies have to be submitted to OMB for clearance before they're submitted to us?

Ms. LIVINGSTONE. I will have to check with the agency on that. I'm not sure if that's something that has to go through OMB before transmittal to Congress or not. That's something I would have to check.

Mr. KINGSTON SMITH. Miss Livingstone, would the VA please inform the committee if any collocation plans are affected by negative impacts?

Ms. LIVINGSTONE. In terms of providing that for the record?

Mr. KINGSTON SMITH. Yes, ma'am.

Ms. LIVINGSTONE. The current ones that are underway at this time?

Mr. KINGSTON SMITH. And proposed ones.

Ms. LIVINGSTONE. We would be pleased to.

[Subsequently the Veterans' Administration submitted the following information for the record.]

The General Services Administration (GSA) in concept supports VA plans to collocate regional offices to VA medical center grounds as part of GSA's own program to reduce its space holdings, if the action is cost effective and if consideration is duly

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given to the impact such actions would have on GSA-held workspace. To date, GSA has provided formal support to the Fargo and Wichita collocations (see appended letter of September 14, 1984 from Acting Administrator, GSA, to the Administrator of Veterans' Affairs). With regard to future VA collocation projects, GSA has taken the position that it will review them on an individual basis after the VA has completed its economic cost analysis.

The chart on p. 205. indicates GSA's position on VA proposed collocations (as found in DVB's 5-Year Collocation Plan) for fiscal years 1988 and 1989.

Mr. KINGSTON SMITH. To go to the sale of the land in California, is it correct to assume that while the sale of land at West Los Angeles and Sepulveda is being reconsidered by the VA, that action of the GSA to excess the land is on hold?

Dr. GRONVALL. I think that that's probably a legal question and Mr. Coy ought to address it.

Mr. COY. Yes, the process envisioned by section 5022 of title 38, United States Code, is that we do go through a notification process with a wait period of 180 days, after which the property would be declared surplus, assuming there was no change in decision in the meantime.

Mr. KINGSTON SMITH. We understand there is a Department of Memorial Affairs proposal to transfer to it 20 acres at West Los Angeles to expand the national cemetery. Is that correct, and if so, what is the status of that proposal?

Ms. LIVINGSTONE. In 1984, 20 acres of land at West Los Angeles were transferred from the Department of Medicine and Surgery to the Department of Memorial Affairs for possible future use for cemetery expansion of the Los Angeles cemetery. That currently is on hold. There are no resources or current plans within DMA to move forward with the cemetery expansion at this time. Only a very small portion of that 20 acres is included in the current 109 acres identified for potential excessing in West Los Angeles.

Mr. KINGSTON SMITH. Is that on hold because there is a proposal at OMB which is being considered?

Ms. LIVINGSTONE. No. This is something that since 1984 was transferred for potential use for cemetery purposes and there has not been the resources nor the identified required need to move forward with the cemetery expansion at this time.

Mr. KINGSTON SMITH. Our understanding is that there is a cemetery expansion proposal at OMB, is that correct?

Ms. LIVINGSTONE. For Los Angeles? You would have to direct that to DMA. I'm not familiar with a specific proposal—

Mr. KINGSTON SMITH. Is anyone here from the VA able to respond to that? Would you provide the answer to that for the record, please?

Ms. LIVINGSTONE. I would be pleased to.

[Subsequently, the Veterans' Administration submitted the following information for the record.]

There is no proposal before OMB at this time and the VA currently has no plans to submit such a proposal to OMB.

The VA's Department of Memorial Affairs (DMA) has undertaken a major initiative over the past few years to reopen closed cemeteries whenever possible, either by making more effective use of existing land or by accepting donations of adjacent property. Los Angeles was one of the cemeteries which DMA had planned to reopen through internal transfer of 20 acres of land from the West Los Angeles VA Medical Center. The VA initially requested resources from OMB to support the reopening of the Los Angeles Cemetery but these resources were not forthcoming. The VA has

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subsequently reviewed the Los Angeles Cemetery expansion plans and based on the factors that the Los Angeles area is already served by the Riverside National Cemetery, which is a regional cemetery, and the enormous value of vacant property at the West Los Angeles Medical Center complex, it was decided that a permanent commitment of this land for use as a cemetery would no be appropriate. The Agency so testified to this effect before the committee on December 12, 1985, before the excessing of property at the West Los Angeles Medical Center became an fiscal year 1987 budget issue.

Mr. FLEMING. Mr. Vogel, there was an agreement between DVB and DM&S about the collocation of the regional office in Houston with the Houston Medical Center. I think the agreement was reached on November 5, 1980.

That was 6 years ago. Why has it taken so long? Why has it taken so long to make the studies, to make the evaluation, and to move with some of these projects? Milwaukee moved swiftly because the Director out there determined that it was a good thing to do. He convinced the Chief Benefits Director it was a good thing to do, and then proceeded to do it.

Mr. VOGEL. Mr. Fleming, the conduct of the studies themselves, the economic analyses, the A-104 studies, is not a long, long process unto itself. The fact that we have to do those over from time to time because of the long passage of time I guess really speaks for itself.

If you look at the schedules over the years, the 5-year schedule for the collocation thing, Fargo and Wichita are the two that are now proposed for 1988. They were proposed for 1987 and they were proposed for 1986, and the slippage continues. The funding has not been available.

Mr. FLEMING. The funds?

Mr. VOGEL. Yes.

Mr. FLEMING. I suppose the Office of Management and Budget, even though it may be a good idea, will not allow the funds to be used for this purpose. Am I correct?

Mr. VOGEL. I would say in times of scarce resources it wasn't considered a high enough priority to make the—

Mr. FLEMING. Has anyone ever attempted to convince OMB that $4 million a year that the agency pays for the regional office space in Los Angeles, could pay for your own building in about 5 or 6 years?

Mr. VOGEL. You certainly could. You mentioned, Mr. Fleming, the Wood-Milwaukee collocation. It was the spectre of a tripling of the rent which caused the agency to move with a great deal of vigor to get that collocation going. Of course, the question is the payback in those things. We have met with officials at OMB on that issue and they are interested also in looking at the totality of that with respect to shared services and other efficiencies that may stem from a collocation.

Mr. FLEMING. Well, I'm just saying, even if you assume—and we don't assume that the VA is correct in saying it will cost $25 million to build a regional office in Los Angeles; that seems a little bit high and we'll probably ask Mr. Newman about that estimate later. But assuming that that is correct, it is not going to take long even to recover that at $4 million a clip. That doesn't count the common services savings that may result from moving the regional office on to the Wadsworth grounds.

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It just seems shortsighted that the administration, on the one hand, wanting to go ahead and declare excess property in West Los Angeles to help reduce the deficit, but you're not willing to put up a little up-front capital in order to build a regional office to realize substantial savings over a period of years.

Mr. VOGEL. Yes, sir, it has the appearance of being shortsighted. We have been the beneficiaries of a hold on GSA SLUC charges, standard level user charges, for the last few years by congressional action, and are, in fact, faced with the prospect of a significant increase in SLUC charges for the next fiscal year.

Mr. FLEMING. I was with the chairman the day before yesterday, when he met with the head of the GSA. The Administrator was most enthusiastic about collocating VA facilities. He indicated that he was going to talk to General Turnage about the matter and that his office would cooperate with the VA to the maximum degree in order to do this in areas where there would not be the backfill, as Miss Livingstone suggested. He indicated that in Los Angeles he could have any number of clients ready and willing to move into the space VA occupies should it be vacated. There is just no reason why we shouldn't proceed without delay in Los Angeles.

Ms. Livingstone, on March 3 of this year the chairman wrote a letter to the Acting Administrator, Everett Alvarez, asking that he confirm that the 180-day period for congressional consideration of excessing of the property at Los Angeles has yet to start.

When will the VA reply to his request of March 3?

Ms. LIVINGSTONE. I would like to defer on that response to General Counsel.

Mr. COY. Mr. Fleming, the chairman wrote two letters. Both letters mentioned the property problem in Los Angeles. One of them also mentioned a legal issue with respect to the sequestration of insurance loans, and one of them asked whether or not the notice of February 5 was sufficient to trigger the statute. Those letters were intended to be returned to the chairman last week and we were asked to combine them. My estimate is that they will be to the chairman today or tomorrow.

Mr. FLEMING. Thank you very much.

The second question, again to Ms. Livingstone. We are aware that the task force which was sent to California has made its recommendations. I guess Dr. Gronvall, rather than Ms. Livingstone would answer the question.

Could you supply the chairman with a copy of the task force recommendations. He is interested in knowing the task force recommendations to the Chief Medical Director.

Dr. GRONVALL. The task force report is, as I said in my testimony, not yet final. It is in draft stage and being reviewed. I would see no reason, when that becomes a final report, that the Admnistrator would not make it available along with his recommendation on the specific question regarding excessing of land.

The Administrator has indicated that he intends to act in the near future on the matter, and I would assume that information could all be made available.

Mr. FLEMING. Well, understand what the chairman is asking for here. He, of course, would expect to receive the views of the Ad-

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ministrator, but he is asking that the recommendations of the task force be made available as well.

So what I am asking you to do is to comply with the chairman's request that the task force recommendations be submitted to the committee and not necessarily what the Administrator submits to the committee as his recommendations.

Ms. LIVINGSTONE. Mr. Fleming, the task force report is in draft now. The task force report itself makes no recommendations. It is a factual presentation of their data collection, a review of the potential future utilization of specific parcels. In fact, this report and factual basis have been provided to the department heads now for their review, and then the new Administrator, General Turnage, hopes to sit down and discuss with them the facts as presented by the task force and meet basically with top management on it. So at this point there is a draft factual report, but no recommendations are contained in that report.

Mr. FLEMING. The chairman would be pleased to have the factual report that is pending, whatever you want to call it.

Ms. LIVINGSTONE. Okay. I will—

Mr. FLEMING. Let me be frank and honest with you. He is interested in knowing the views of the local hospital director and his staff and the views of the task force personnel.

Dr. GRONVALL. Mr. Fleming, let me comment on that.

As far as I know, as soon as the report is final, it will be supplied. That's a regular pattern, that the committee chairman asks for reports and information, and when they're available they are supplied.

Mr. FLEMING. We understand the Administrator may have a difference of opinion as to the use of the property, but we would still like to see what is stated by the task force group.

[Subsequently, the Veterans' Administration submitted the following information for the record.]

The task force's site visit report is currently in draft and the Administrator's and VA management's review of it should be compelted shortly. The report will be provided at that time.

Mr. FLEMING. Could any of you enlighten us as to when the Administrator expects to make a decision on this? You say it's being evaluated now.

Ms. LIVINGSTONE. The Administrator has indicated that at this point he may wish to make a personal site visit to the area. I believe he spoke with Chairman Montgomery previously about that. We hope at this point to reach some decisionmaking point within the next 3 weeks.

Mr. FLEMING. The next 3 weeks?

Ms. LIVINGSTONE. Yes.

Mr. FLEMING. Miss Livingstone, how many cost-benefit analyses have you done with respect to collocation? I think that was mentioned earlier, but could you just give us that again?

Ms. LIVINGSTONE. Yes. There have been approximately 8 to 10 that have been completed in various stages. About eight of them are completed in their entirety at this point. Two of them are in draft right now and under department review.

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In addition, we have two other A-104 studies for Newark and St. Petersburg underway at this time and have three more planned for later in 1986. So we're really looking at a total of about 15 or 16 that are either underway or completed at this point.

Mr. FLEMING. Could you tell us whether any of the studies demonstrate that collocation is cost effective?

Ms. LIVINGSTONE. The predominant finding of them is that yes, indeed, it is a cost-effective means of providing regional office services, particularly in a renovation situation.

Mr. KINGSTON SMITH. I would like to go back to the subject of the excessing of the West Los Angeles property for a moment.

GSA in its statement stated that legal proceedings had been implemented to the extent that a notice of intent to preserve interests had been filed regarding the West Los Angeles property.

Mr. Coy, is there any sort of filing in a State or Federal court regarding this property yet, or is this simply a letter which lawyers representing the heirs of the grantors sent to the Government?

Mr. COY. On March 18, we received a letter from the law firm, which we will be happy to make a part of the record, indicated that they have, in fact, filed, pursuant to California Civil Code, notices of intent to preserve interest. I have copies here of recorded information showing the dates filed in the Recorders Office of Los Angeles County, CA. So, in fact, there have been filings, and I would be happy to provide for the record a copy of that letter with copies of the formal notices filed.

Mr. Kingston SMITH. Thank you. We would appreciate that.

[The repuested information appears on p. 207.]

Mr. FLEMING. I do have a very brief closing statement that I would like to read for the Chairman in his absence.

It is addressed to Ms. Livingston.

Ms. Livingstone, I have several things that I would like to say to you concerning this year, and I hope you will relay them to General Turnage. I regret that the VA wasn't able to express its true position with regard to this land transaction at our hearing this morning. I think Mr. Alvarez was being honest when he told me in February, during our budget hearings, that he agreed with me that the West Los Angeles property should not be declared excess.

I note in your statement that you, or OMB, oppose my bill to keep this land in VA hands because it would 'unduly limit the Administrator's discretion to manage VA property efficiently.' I think it has the opposite effect. It is OMB that is micromanaging the agency and usurping the Administrator's discretion. Were it not for the position that I took on this proposal to excess the land, the Administrator would not have had any discretion whatsoever with respect to the property. It would be gone in a minute.

Mr. FLEMING. Will you make sure that General Turnage gets that message?

Ms. LIVINGSTONE. Yes, sir, I will.

Mr. FLEMING. The chairman plans to have further discussions with the Administrator about this matter.

Ms. LIVINGSTONE. Thank you. I will convey the chairman's message to the new Administrator and he would be more than pleased in several weeks to appear before the committee himself on this matter, once the decisionmaking process has been concluded.

Mr. FLEMING. If you will bear with us a moment, Mr. Penny has just arrived and has some questions he would like to ask the witnesses.

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Mr. PENNY (presiding). I understand that Representative Beilenson is waiting to make a presentation, but I wanted to get a few questions in to this panel before you got away, rather than calling you back after his remarks.

I am interested in this collocation issue and in the utilization of vacant VA space generally, but I would like to pursue specifically the situation in Minnesota, where we are moving forward with the construction of a new medical facility. Several of the buildings that house the old facility will be torn down over time, but one of the larger buildings, Building 43, is going to be retained.

I want to find out from you, Mr. Vogel, or Dr. Gronvall, or anyone else that has an involvement in this issue, what the plans are for Building 43 at the Fort Snelling site.

Mr. VOGEL. Building 43 was considered in what we call an A-104 study, an economic feasibility study of collocation, at a point in time in which the three VA elements were the potential occupants of that building—that would be the data processing center, the regional office and insurance activity. The data processing center having now been closed, there is a plan to consolidate insurance into the Philadelphia VA Regional Office and Insurance Center.

The study of the building, just from the Department of Veterans Benefits standpoint, needs to be redone because the equation has now changed. I don't know—perhaps Ms. Livingstone can enlighten you—what the plans are for Building 43. That question was posed to me by Congressman Sabo at our meeting last week.

Mr. PENNY. I know that it was, and I posed a similar question at a hearing a year ago. At that time it was suggested that these were possible uses for Building 43 but that there was no final determination made about the use of that building once the new hospital was constructed. I expressed at that time some concern that we didn't have this pinned down because it seems to me that as you move forward with the construction process, thereby vacating other facilities, that we ought to know what we're doing with those facilities. You shouldn't be putting the cart before the horse.

Can anybody tell me more specifically what our current plans are with Building 43?

Ms. LIVINGSTONE. Congressman Penny, the A-104 study that Mr. Vogel referenced is an economic cost-benefit study of collocating the St. Paul Regional Office into a renovated Building 43. It will have to be redone and we are in the early stages of data gathering on redoing it.

It was previously done, as Mr. Vogel indicated, approximately a year ago, but at that time we were looking at a facility which combined not only the regional office but other activities. Now that we're just looking at the regional office activities, we're going to redo the economic cost-benefit analysis. If it supports moving forward with renovation of Building 43, then that would be part of the decisionmaking process that the Chief Benefits Director would consider.

Mr. PENNY. But if you can't support the cost of renovating Building 43 with the types of uses it can be put toward, then what happens?

Ms. LIVINGSTONE. The options that remain are in leased space, the possible alternative Federal space that can be located in the

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area. Perhaps Mr. Vogel has other options he would care to discuss.

Mr. PENNY. Mr. Vogel?

Mr. VOGEL. Mr. Penny, whether or not the Department of Medicine and Surgery has a specific use for that building is not known to me. The building is a very large one. With the prospect of a year ago, of housing three VA elements that I previously referred to, the building was far larger than the needs. The plan then was to renovate part of it, with the Minneapolis hospital to be activated soon, a replacement hospital. Perhaps Dr. Gronvall can indicate whether there are any plans for the use of that in medical treatment or ancilliary—

Mr. PENNY. Dr. Gronvall, I heard at one time that perhaps psychiatric services, outpatient services of certain types, might be retained in Building 43. Are you familiar with any plans to continue certain medical services in that building?

Dr. GRONVALL. Mr. Penny, I think that I should look into it and provide some additional information for the record. I was in Minneapolis, in fact, as recently as a couple of months ago, visited the building, and looked at the new construction. I know there is discussion about potential medical functions that might stay in some part of the building. But I can't really answer with any degree of clarity as to the degree of firmness of that planning or whether it is just conjecture at this point. I would be glad to supply more information.

[Subsequently, the Veterans' Administration submitted the following information for the record.]

At the time of the original planning for the replacement medical center, our plans provided for the excessing of Building 43 upon activation of the new medical center. Currently, Building 43 is being evaluated for use by the regional office, The current plan for the Department of Medicine and Surgery is to completely vacate Building 43 of all medical programs upon activation of the new medical center.

Mr. PENNY. The reason I wanted to get down to Building 43 specifically is because I think this lack of planning is rampant throughout the system, where we're moving forward on one track with construction, with no real plan in mind as to what we're going to do with vacated space. It just appears to me that it's really a mis-investment of funds for us to enter into a major construction project and then, once that's completed, try to figure out what to do with the space that we've vacated.

I am concerned that in this particular case—and I'm sure it's true in other areas—we are sitting here just a few short months away from the completion of our construction project in Minneapolis and we don't know for sure what we're going to do with that other building.

You did have some preliminary plans that would have utilized most, if not all, of that space by moving the data processing center, the regional office, and the insurance center over. But over the course of the last year-and-a-half we have lost the data processing center and now we're in jeopardy of losing the insurance center. That makes for a lot of space that will not be needed any longer because of those facilities moving out of the State.

One hand didn't know what the other hand was doing in the VA. Knowing that you had the space available, and knowing that those

various functions could be collocated there, somebody within your house allowed those functions to be farmed out to other locations and now you're left with a building that you're not going to be able to fill with the regional center alone.

I am not sure if this requires legislation or not, but I am tempted to believe it does, that maybe we just have to tell the VA from now on that, unless you have a hard and fast plan that you're willing to stick to, we shouldn't allow replacement facilities to be built. So I'm just at a loss to know how we can move this far down the road and still have such an "iffy" situation about the alternative use of the building that we intend to save.

It tends to be in Washington that both we in Congress and folks in the bureaucracy don't plan beyond the next committee hearing, don't plan beyond the next election, don't plan beyond the next fiscal year. We have got to get out of that cycle or we're going to be involved in a tremendous amount of waste. This Building 43 is one small example, but I think you've got the problem throughout the VA system. I would like to see some evidence that you're coming to grips with it, that you're setting out some plans and some strategies and sticking to them. If we don't see that, then maybe we've got to legislate some kind of a change in the mode of operation down there to assure that it happens.

Dr. GRONVALL. Mr. Penny, I would like to make a comment—because I certainly hear what you're saying—to give you my own view, which is a somewhat different perspective of the way you have analyzed those series of statements.

I believe, based on my experience in the VA, that it is not a lack of planning. Because at any one time, as we propose, let's say a new hospital and look forward as to what would happen to an existing facility that might be abandoned as a result of the construction of a new hospital, a plan will be in hand which, based on the information at that time, deals with the question.

I believe that the problem is not the lack of an attempt to plan ahead, but the lack of ability to make a binding set of decisions that then carry forward for a period of 8 to 10 or 12 years which may be required for the planning of a major new facility, acquisition of funds, construction, and abandonment of an old facility.

The plans that are made at the outset get overtaken by other priorities, changes in other programs, legislative changes, other budget decisions that are made which overtake those original plans, so the plan for what to do with the space gets altered progressively as other decisions are made.

I totally agree with you that at a given point in time, such as where we are now, that appears to be due to a lack of planning. But I think it is really a lack of ability to make precommitments that will be binding for 10 years.

Mr. PENNY. I was going to follow up, when you started to explain that you did have a planning process, that, in fact, the problem is that you can't make that a binding kind of policy. And yet, it seems clear to me that in requesting new construction funds, renovation funds and other moneys from this Congress, that if that requires some collocation or some other strategy to fill vacant space, that all of that ought to be part of the package that is approved in that process. And just as you don't make major modifications in

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your construction schedule once you're committed to that, you shouldn't be making major modifications in your relocation strategy, either.

Maybe somehow we have got to pin down the implications of those plans that you conduct about the use of these facilities so that they override some of these day in and day out OMB decisions or other whims coming out of the administration.

I don't have a big quarrel with that. I just think there has got to be some predictability. A planning process is worthless if it just leads to another planning process and another and another. I mean, you can do them in triplicate. Each time it is sending good money after bad because you're allowing circumstances to override your long-range goals. Instead, you should be sticking with your long-range goals so that they can somehow dictate the circumstances.

Dr. GRONVALL. I would just say, Mr. Penny, if you take the same sort of factors and look at it the other way around, a plan that was created, let's say, 6, 8 or 10 years ago, no matter how valid it was at that time as a long-range projection, when you find yourself 5, 6, 7 years later with events having changed, the budget having changed, policy having changed, priorities or new legislation, to then, in a sense, rigidly follow through on a plan which has been overtaken by other events is another way of throwing a considerable amount of good money after bad. Sometimes those decisions that subsequently get made are, in fact, based on new events, new changes, and they need to be made.

I see no feasible way that I'm aware of that, in fact, a rigorous plan could be created that could then be or should be adhered to over a 10 or 12 years life span that one of these very major construction projects takes from conception to completion.

Mr. PENNY. I think this is an area that we've got to do a better job in than we have in the past. It is tremendously frustrating, that we go through a planning process only to have it reinitiated a few years later based on a whole set of developments that indicate to me that no one in the VA was reading your original plan for Building 43. You know, I can't figure out how that can happen within an agency. These are not outside factors that are influencing what is going on with the use of this vacant space. They are internally promulgated.

The fact that you're shipping out all kinds of Minnesota-based functions to other locations now flies in the face of your original plan to keep them all in Minnesota, collocate them at a VA facility, save that extra expense of renting space, and provide some kind of coordination there.

Again, you know, I can see your point that you don't want to have such a rigid plan that it can't take into account realities beyond your control. But these are in-house decisions that have been made and it indicates to me that someone who made the decision to farm these facilities elsewhere was just not paying any attention to the plan that you spent a lot of money to develop, indicating that there was some common sense in keeping those facilities in Minnesota and to locating them in a VA building.

Dr. GRONVALL. Mr. Penny, I surely accept absolutely your observation that the process that we follow, for whatever reason, puts us

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into a difficult position that I think you have well described, having a major new facility within a year or so of occupancy and uncertainty about what to do with the one that will be abandoned. So I totally accept that.

Mr. PENNY. We can pursue this more in other settings. I am going to be exploring some kind of legislative remedy as well, because I think somehow we've got to make sure that in your agency and in others that more forethought is given to what happens with space vacated and that more coordination exists within the administration so that we take into account the time, effort and money that we have spent in developing those plans, instead of just going off willy-nilly and then coming back and having to redo the planning process.

Ms. LIVINGSTONE. Congressman Penny, if I might, for all of our major construction projects, like the Minneapolis replacement, we do have backfill plans for space that will be vacated, or in some cases plans where the buildings will actually be demolished. That occurs at every point in time during the course of the development of the project. But as Dr. Gronvall is indicating, plans do change. As new factors develop or as studies of specific functions come in, demonstrating that we might achieve significant cost savings through other alternative means, then we need to respond to those and change our plans. We do try to have enough flexibility within our planning system to provide for that.

In this particular case we had to do economic cost analyses of various alternative uses for Building 43. I believe even initially there had been discussion of demolishing the building. We will now once more be doing another one to determine if it's economically feasible to renovate that building to house regional office activities and possibly some additional medical care services, if DM&S has plans for the building. But again, it's an issue of flexibility that almost by necessity has to be in our planning process, rather than committing ourselves to courses of action that may not be cost beneficial or functionally effective for the agency in the future.

Mr. PENNY. Except I don't see this kind of major shift in emphasis going on with new construction. Your new construction is based on certain assumptions of need and certain kind of services you want to provide. You do perhaps make some adjustments along the way, but basically you stick with the game plan when it comes to new construction. I'm just saying that as you construct you also are vacating, and unless you're going to tear it down, if you've got a plan for alternative uses, you should enforce some internal discipline down at the VA to make sure that, unless there's an overriding reason not to stick with that plan, that everybody on the VA staff is onboard with that plan and not doing things to undercut your intentions.

Again, you know, if what you're saying is there are certain uncontrollables, if that were true, we would have hospital construction being modified six times from the time the hole is dug in the ground until the time the last touches were being put on a surgical room. You don't do that. You may have some minor changes, but basically you stick with your original plan there. I think within that same timeframe, as you are vacating a building and opening it up for other uses, you ought to stick with your plan as best you can

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there and make sure that other divisions within your agency are onboard with that plan, so that you don't find yourself having to change your utilization of that building or scrape that building entirely at the tail end of the process.

That's all. I see heads nodding.

Dr. GRONVALL. Thank you for the comment. I don't want to get us maybe into a whole other area, but, in fact, the kind of problem you describe in regard to constructing a new hospital does occur within the VA and throughout the hospital industry. In fact, in every major hospital project that I'm aware of, inside and outside the Government—this is not a VA comment—building anything as big as a whole new hospital involves continual rethinking and, unfortunately, continual change even while it's underway. Obviously, once the footprint is locked in concrete with the foundation in the ground, that usually doesn't get changed.

But very expensive changes typically occur during the actual course of completion, and I have heard people say, outside the Federal Government—again, this is not a VA comment—that one of the most important things about a hospital is to get the thing done so that the occupants can move in and start renovating it to make it work. I think that is a characteristic of rapidly changing technology and medical practice and new requirements, et cetera, et cetera.

So, in fact, I am kind of broadening the question by saying we do face that same problem actually in regard to construction of a new hospital.

Thank you for your comments.

Mr. PENNY. With that, I think we can dismiss this panel. Thank you for your presentations.

Mr. VOGEL. Thank you, Mr. Chairman.

Mr. PENNY. Our last witness is the Honorable Tony Beilenson, a Representative of the 23rd District of California, which includes the University of California at Los Angeles. People who reside in the area served by these two hospitals are very ably represented and we welcome you, Tony, to the committee hearing.

STATEMENT OF HON. ANTHONY C. BEILENSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. BEILENSON. Thank you very much, Mr. Chairman, for those kind comments.

I really do appreciate, Mr. Chairman, this opportunity to share my views with you today. I apologize to you, Mr. Chairman, and other members of the committee who could no longer be here, for my not being here at the appointed hour of 8:30. I was delayed for a couple of hours in the Senate testifying on something where I was the sole witness and, knowing I had some people on my side over here, I left it in their good hands. But I did want to thank you very much for letting me come back and giving this 4 or 5 minute statement at this time, Mr. Chairman.

I am here to express my strong opposition to the sale of what has been referred to as "excess" land at the Veterans' Administration medical center in West Los Angeles, as well as the VA medical center in Sepulveda. For the purposes of today's hearing, I am re-

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stricting my comments to the sale of land in West Los Angeles, which is located in the 23rd Congressional District which I represent. In fact, my Los Angeles district office is just 2 blocks from the VA medical center, so I am very familiar with the location and the surrounding community.

My office and I have been very, very close with this particular medical center. They have served our community extremely well, and we have established a very close and strong relationship with them.

As you know, the administration has recommended that approximately 109 acres of land in West Los Angeles be declared surplus and sold for commercial development. The administration says this land would sell for about $340 million, money which the administration would credit toward reducing the Federal deficit. I am a strong supporter, Mr. Chairman, as you are, of efforts to reduce the deficit, but I don't believe that this is a viable or appropriate way to bring Federal fiscal policy under control.

First, I seriously question the fair market appraisal of the VA property when that figure is based on the property's commercial zoning value rather than on its present zoning for multi-dwelling residential property. Another large parcel of the VA land is zoned for open space, an even more restrictive designation.

In addition to the zoning, the Los Angeles County general land use plan restricts the property to public and semi-public use. Therefore, any appraisal based on commercial use is completely inconsistent with both the current zoning and land use designations.

Similar appraisal problems were recently highlighted when the county negotiated with the GSA on an adjacent parcel of surplus VA land which the county wanted to use for much-needed housing for senior citizens. GSA rejected the county's offer of $2.2 million and instead appraised the property at $7 million, an appraisal the county felt was much too high based on the current zoning. At a public auction held on March 27, the highest bid came in at only $4.2 million—and GSA is now asking for a higher offer.

Any effort to change the designation of the property to commercial zoning would not only be inconsistent with the county's general plan, but would also be contrary to the needs of the surrounding community. The traffic that commercial development would generate would add to the tremendous volume at Wilshire Boulevard and Veteran Avenue, an intersection that already holds the dubious distinction of having the highest traffic count in the western United States. In fact, the Los Angeles City Council has recently imposed a building moratorium in the nearby Westwood area while the community tries to deal with the congestion there.

A second major problem with the land sale, which Senator Cranston and others perhaps have pointed out to you, is that the heirs of the family which gave the land to the VA have filed notice of intent to preserve interest in the property and are pursuing legal resources to maintain their rights to the property, since when the land was deeded in the late 1880s, the family designated specifically that the land be used only for veterans' purposes.

Third, any land sale of such magnitude must take into consideration the present and long-term needs of the VA medical center itself, which I am sure officials from the VA have discussed with

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you. However, I want to emphasize the major role this facility plays in improving the health care of veterans in the Los Angeles area and its close connection with the excellent medical school at the nearby University of California at Los Angeles, just a few blocks away. We should not allow ourselves to think only in terms of superficial financial solutions or a short-term quick fix; we must be aware of future needs of the medical center and of the veterans it serves.

Perhaps the most important consideration, in a general sense, is that the Federal Government has a responsibility, whenever possible, to work with and not against the needs and desires of a local community. The officials of this medical center have worked diligently to establish and maintain a close relationship with their neighbors and with the larger community. And one of the reasons that the center and the community have had such a good relationship is the large buffer zone that the open space—which the Government now wants to sell—has provided. This space has prevented many of the problems that such close proximity to a hospital could otherwise present in a densely-populated residential area such as we have in West Los Angeles.

The proposed sale would dramatically alter the area and can only lead to anger and frustration and accusations of irresponsibility and disregard for the concerns and well-being of the surrounding community. Maintaining a "green belt" type buffer zone in this highly congested urban area cannot be measured in dollar value only. There is far too little open space left in West Los Angeles for this acreage to be sacrificed in the name of Gramm-Rudman deficit reduction.

I know personally how important this open space has been. My office and I have been engaged in a project that has resulted in the development of a 12-acre recreational area on the VA property. After 7 years of negotiating with the City of Los Angeles, and both the local and national VA, the city and the VA signed a short-term renewable lease for the use of this area on the northern end of the medical center's property. The city has spent a million dollars to upgrade the area. We dedicated the park last spring, and residents of the community and patients from the hospital now have a much better use of this space. The park is a totally appropriate use of the open space and one instance that would no longer be possible if the land sale that the administration suggests is approved and consummated.

In short, Mr. Chairman, the medical center has acted with foresight and generosity in recognizing many years ago the importance of a buffer area between the hospital and homeowners. The center has been a good neighbor, listening to the needs of the community—and the community is very difficult at times, as it may be in other areas of the country as well—and accommodating those needs when they have been compatible with the hospital's needs. The good will that joint ventures, such as our new recreational park that I just mentioned, have created is essential for maintaining a cooperative working relationship between the VA and the community and the local government. Obviously, implementation of the administration's land sale proposal would destroy much of this good will.

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In conclusion, Mr. Chairman, I appreciate enormously the subcommittee's interest in this proposal and look forward to continuing to work with you to prohibit the sale, if at all possible. I apologize once more for not being here at the appointed hour, and I thank you very much for allowing me to give my testimony at this time.

Mr. PENNY. Thank you, Tony, for your testimony. As you know, the chairman has a very direct and personal interest in this issue. The purpose of the hearing this morning was to help highlight those concerns and to see if, within the next several weeks, we can't get the VA to take action in this regard to protect that land from being disposed of. I appreciate your testimony.

Mr. BEILENSON. I appreciate your comments. Again, I appreciate the time you have allowed me.

[The prepared statement of Congressman Beilenson appears on p. 213.]

Mr. PENNY. With that, I think we have exhausted our witness list. The meeting will stand adjourned.

[Whereupon, at 11:25 a.m., the subcommittee was adjourned.]

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APPENDIX

STATEMENT OF CONGRESSMAN HOWARD L. BERMAN
BEFORE THE HOUSE COMMITTEE ON VETERANS AFFAIRS
APRIL 23, 1986

Mr. Chairman:

First, I want to express my deep appreciation to the Committee for holding this hearing, and to you Mr. Chairman for your leadership in our fight to block the Veterans Administration from declaring as excess 46 acres of land at the V.A. Medical Center in Sepulveda, California and 109 acres at the VA's facility in West Los Angeles.

The 46 acres at the Sepulveda facility fall within my Congressional District. As such, I will restrict my testimony to a discussion of why excessing this particular property is bad deficit reduction policy, bad for veterans and bad for the local community.

According to the General Services Administration, the federal government own 46 "excess" acres at the Sepulveda V.A., and stands to reap a $10 million windfall by selling the property. GSA is wrong on both counts. The property isn't excess, and the federal government stands to lose a good deal more than $10 million if we sell this land today.

Selling federal assets simply is bad deficit reduction policy. Particularly in this case, we will find that the

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positive returns expected by the Administration are illusory, and that in the long run, the government will lose money, and veterans in California will lose services if we sell this land.

We know that additional Veterans Administration property and facilities will be needed beyond the year 1985 to meet the health care needs of the aging veterans population. Increased Medicare costs can be expected to result in many more veterans seeking health and nursing care through the V.A. in the next several years. In fact, a recent Veterans Administration survey found that by 1990, the percentage of veterans aged 65 years or older will be more than double the 1980 level. Quite simply, the Administration is proposing to sell V.A. property today that we will need to buy back, at much higher prices, five or ten years up the road. That is madness.

GSA plans to receive $10 million in clear profit for the Sepulveda property. Unfortunately, GSA and V.A. haven't filled in the entire equation. Both agencies forgot to consider the many significant costs that sale of this land will generate. For example, V.A. will need to either demolish and rebuild, or move part of research compound, an engineering building and a warehouse, all of which are located within the 46 "excess" acres. The cost of rennovating only one of these buildings has been estimated at approximately $300,000. The cost of actually moving or rebuilding these structures would be much greater.

This says nothing of the less easily measured, but even greater costs that will be borne by members of the local community and thousands of area veterans.

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Earlier this year I was presented with a petition signed by nearly 1,500 of my constituents who oppose sale of the Sepulveda V.A. property. The community and the Medical Center maintain a mutually beneficial relationship that would be effectively terminated by sale of this land. I think that would be a terrible mistake.

For the past seventeen years, the Sepulveda V.A. has allowed the Mission Hills, California Little League and their Womens Auxilliary to maintain a golf course and several Little League baseball fields on the property. The Community has responded to the V.A.'s generosity by providing thousands of hours of volunteer work to the facility. Thanks to the close V.A. - community relationship, the Sepulveda facility ranks in the top five nationwide for volunteer hours accumulated. This cooperation is well worth preserving.

Thanks to this cooperation, young people in the area have the chance to benefit from participation in the community Little League program. Open land is scarce in this part of the San Fernando Valley, and thousands of children wouldn't have this opportunity without the cooperation of the Sepulveda V.A.

Patients at the V.A. facility also benefit from their use of the ballfields and golf course, and enjoy watching the Little League games. Any physician will testify to the rehabilitative value of easy access to the kind of land found at the Sepulveda V.A.

It is my understanding that former Acting V.A. Director Everett Alvarez declared this land as excess only under pressure

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from the Office of Management and Budget during negotiations on the V.A.'s fiscal year 1987 budget. The Director made his determination based not on diligent study of its implications, but on the basis of a three-year old GSA land study and pressure from OMB.

Clearly, GSA's recommendation was faulty. This land is anything but excess. The Los Angeles City Council voted unanimously to oppose the sale. The hospital administration itself has declared that there is no excess property at the Sepulveda V.A. Medical Center.

Mr. Chairman, I look forward to working with this Committee to overturn the V.A.'s determination on the 46 acres at the Veterans Administration Medical Center in Sepulveda, California. Thank you again for the opportunity to testify against the proposal and for your leadership in the fight to defeat it.

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List of organizations and individuals opposing sale of the Sepulveda V.A.M.C. land.

L.A. City Council
City Hall
200 N. Spring St.
Los Angeles, CA 90012

Hon. Tom Bradley
Mayor
City Hall
200 N. Spring St.
Los Angeles, CA 90012

Hon. Alan Robbins
State Senate: 20th District
6150 Van Nuys Blvd.
Van Nuys, CA 91401

Hon. Richard Katz
State Assembly: 39th District
9140 Van Nuys Blvd. #109
Panorama City, CA 91402

Mission Hills Little League, Inc.
"1985 Western Regional Champions"
Carl Carlson: President
P.O. Box 5292
Mission Hills, CA 91345

MHLL:Women's Auxiliary
Marie Schauman:Director
P.O. Box 5292
Mission Hills, CA 91345

Sepulveda Homeowners Association
Bob Lombardo: President
P.O. Box 2008
Sepulveda, CA 91343

Little League Baseball, Inc.
Thomas C. Boyle: Western Regional Director
6707 Little League Drive
San Bernardino, CA 92407

Peter Uberoth
Commissioner: Major League Baseball
Cooperstown

Veterans of Foreign Wars
Jack Ripley
c/o V.A. Medical Center, Sepulveda
16111 Plummer St.
Sepulveda, CA 91343

Disabled American Veterans
Milton Farmer
c/o V.A. Medical Center, Sepulveda

American Legion
Lou Laborde
c/o V.A. Medical Center, Sepulveda

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STATEMENT OF HON. ELWOOD HILLIS
BEFORE THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
ON COLLOCATION OF VA MEDICAL CENTERS AND REGIONAL OFFICES
AND EXCESSING AND UTILIZATION OF EXISTING LAND
APRIL 23, 1986

THANK YOU, MR. CHAIRMAN.

THIS MORNING'S HEARING ON COLLOCATION OF VA REGIONAL OFFICES AND MEDICAL CENTERS, AND ON SELLING CERTAIN VA LAND INVOLVES TWO OF THE MORE VISIBLE ISSUES BEFORE THE COMMITTEE ON VETERANS' AFFAIRS AND THIS SUBCOMMITTEE. WE HAVE AN EXCELLENT GROUP OF WITNESSES REPRESENTING DIVERSE POINTS OF VIEW. WE APPRECIATE THEIR PRESENCE TODAY TO AFFORD US THE OPPORTUNITY TO HEAR THEIR TESTIMONY AND TO ASK THEM QUESTIONS ABOUT THESE IMPORTANT ISSUES.

IT IS PROPOSED THAT VA LAND AT WEST LOS ANGELES AND SEPULVEDA, CALIFORNIA, BE DECLARED EXCESS TO VA NEEDS AND SOLD, WITH THE PROCEEDS OF THE SALE TO BE USED TO REDUCE THE FEDERAL DEFICIT. WE MUST BE VERY SURE THAT, BEFORE VA LAND IS LET GO, IT IS NOT NEEDED FOR PRESENT OR FUTURE VA PURPOSES. WHAT WE WANT TO AVOID IS SHORTSIGHTED ACTION WHICH MIGHT BE LATER REGRETTED AND WHICH MIGHT BE TO THE FUTURE DETRIMENT OF VETERANS. WE HAVE WITNESSES FROM THE FEDERAL GOVERNMENT, LOCAL GOVERNMENT AND VETERANS' ORGANIZATIONS, SO HOPEFULLY, WE WILL HAVE BEFORE US A COMPLETE PICTURE.

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COLLOCATION OF VA REGIONAL OFFICES AND MEDICAL CENTERS CERTAINLY HAS A NUMBER OF POSSIBLE ADVANTAGES. THE IDEA OF COLLOCATION HAS BEEN UNDER CONSIDERATION FOR SOMETIME NOW, AND IS REACHING THE IMPLEMENTATION STAGES. IT MUST BE CAREFULLY DETERMINED AT EACH PROPOSED SITE THAT IT WILL BE COST EFFICIENT, AND THAT QUALITY SERVICE TO VETERANS WILL BE MAINTAINED OR IMPROVED. I AM CONCERNED THAT SOME OF THE EARLY COST ESTIMATES FOR COLLOCATION SEEM VERY HIGH. THE NEW REGIONAL OFFICES WILL HAVE TO BE FORDS, NOT CADILLACS, AND IF COSTS CANNOT BE HELD DOWN FOR SPECIFIC COLLOCATIONS, PLANS FOR THEM SHOULD NOT GO FORWARD UNTIL COSTS ARE BROUGHT UNDER CONTROL. THE VA SIMPLY CANNOT AFFORD ANY FANCY OFFICE BUILDINGS WHEN BUDGETS ARE BEING REDUCED FOR SO MANY VA ACTIVITIES WHICH VETERANS NEED.

THANK YOU, MR. CHAIRMAN.

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STATEMENT OF EARL E. JONES

COMMISSIONER

FEDERAL PROPERTY RESOURCES SERVICE

GENERAL SERVICES ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE HOUSE COMMITTEE ON VETERANS AFFAIRS

Mr. Chairman and Members of the Subcommittee:

I am Earl E. Jones, Commissioner of the Federal Property Resources Service, General Services Administration (GSA). I am pleased to appear before you today to express the views of GSA concerning plans for declaring excess to Veterans Administration (VA) needs certain real property located in California.

The property which is the subject of this hearing comprises portions of the VA Medical Centers located in West Los Angeles (approximately 109 acres) and Sepulveda (approximately 46 acres) in California. The property is currently under the control and custody of VA and has not been reported to GSA for further Federal utilization or disposal. However, on February 5, 1986, VA notified Congress of its intent to declare the property excess to VA's needs pursuant to existing law.

For the record, when land is determined to be excess to the needs of a Federal agency, it is reported to GSA for disposition under the provisions of the Federal Property and Administrative Services Act of 1949, as amended (Property Act). This statutory requirement which represents longstanding Congressional policy should continue to be followed in this case since the VA has determined that the property is not needed for its purposes.

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Otherwise, the Federal Government would be forced to retain ownership of unneeded real property with the attendant cost associated with such retention. The Property Act expresses the clear intent of Congress that unneeded property be reported to GSA for further Federal utilization or for disposal as surplus real property.

We recognize that the Property Act vests responsibility in the head of a landholding Federal agency for determining real property excess to agency needs and for reporting it to GSA for disposition. However, Administration efforts to improve the management of the Government's real property assets by Federal agencies through issuance of Executive Order 12512 on April 29, 1985, have vested GSA and the Office of Management and Budget (OMB) with responsibility to ensure that this mandate is implemented by the landholding agencies. The Executive order broadened agency real property management responsibilities and expanded accountability for the release of unneeded property so that such property could be sold wherever possible to help reduce the Federal deficit. This Executive order also directed OMB to review, through the management and budget review processes, the efforts of departments and agencies in achieving Government-wide management benefits. GSA has been given a strong role to ensure that properties which are unused are fully considered for retention or disposal by the landholding agencies. In this case we believe that failure of VA to report this property excess

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would be contrary to the Administration's initiative to improve Federal real property management.

Under predecessor executive orders, as well as Executive Order 12512, GSA has for many years, in fact going back to 1970, identified unused and underutilized property through utilization surveys. The two properties in question have been the subject of such surveys in the past. The first surveys were conducted in 1970 and portions were identified as unused at that time. These properties were surveyed again in 1983 and updated last year with the same conclusion and recommendations for excessing. As a result, we submitted the properties in question to OMB for consideration under the budget review process established by the Executive order. OMB in turn set an excess property reporting target for VA which included GSA's estimated value of these properties, as VA's contribution to comply with the mandate of the Executive order.

I would now like to respond to the Subcommittee's specific requests for information substantiating the appraised value of the property and whether GSA is knowledgeable of any legal impediments to the disposition of the property. Since, as indicated earlier, the property is not in GSA's inventory we have no appraisal on the property. However, in cases such as this where a land utilization survey results in a recommendation that

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property be reported excess, GSA estimates its value for planning purposes only. This estimated value, is based on general local real estate market trends and other information received from knowledgeable sources, such as local tax assessment offices.

With regard to legal impediments that would prevent disposal of the West Los Angeles and Sepulveda properties, we are aware of the claims by the heirs of the former owners that title to property conveyed by their predecessors at West Los Angeles would revert to them if such property is no longer used for Federal purposes. The heirs have initiated legal proceedings in that they have retained a law firm which has filed a notice of intent to preserve their interests in this regard and has advised us of a further intent to pursue other legal remedies. Consequently, it would not be appropriate for us to comment on this matter at this time.

Federal real property is not subject to local zoning while in Government ownership. However, GSA always notifies the local zoning jurisdiction of its intention to dispose of the property so that zoning procedures can be considered. When GSA sells property bidding invitations inform prospective purchasers that the property has been hitherto unzoned but is subject to local zoning after the Federal Government conveys title.

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In summary, in the implementation of the President's program to improve property management, GSA's responsibility is to recommend the release of unused property and, thereafter, to provide for its disposition, by sale or otherwise. In this way, the Government obviates the economic burden of retaining such property. If there are future uses planned for unused property, they must represent funded activities approved as a part of the budget/review process. In this case, if the properties are actually unneeded, as the VA has informed Congress, whatever their appraised values may turn out to be, we know they would represent a significant return to the taxpayers.

Mr. Chairman, this concludes my statement. I will be pleased to respond to any questions you or the other members of the Subcommittee may wish to ask.

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STATEMENT OF SENATOR ALAN CRANSTON
RANKING MINORITY MEMBER, SENATE COMMITTEE ON VETERANS' AFFAIRS

BEFORE THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
HOUSE COMMITTEE ON VETERANS' AFFAIRS
ON PROPOSAL TO EXCESS VETERANS' ADMINISTRATION PROPERTY
IN SOUTHERN CALIFORNIA

APRIL 23, 1986

Mr. Chairman, as the ranking Minority member of the Senate Committee on Veterans' Affairs, I am delighted to have this opportunity to appear before your Committee and share with you my opposition to the Administration's proposal to declare as excess and sell off parcels of land at two VA Medical Centers in Southern California. I am pleased to endorse and urge the Committee's favorable consideration of the measure, H.R. 4204, introduced by the distinguished Chairman of the Committee, Mr. Montgomery, and the Chairman of the Subcommittee on Health and Hospitals, Mr. Edgar, which would prohibit the Administrator of Veterans' Affairs from proceeding with this land sell-off which would be carried out by the General Services Administration. As you know, together with my colleagues on the Veterans' Affairs Committee, Senators Matsunaga, DeConcini, Mitchell and Rockefeller, I have introduced similar legislation in the Senate, S. 2141.

On February 5, then-Acting Administrator Everett Alvarez advised both Committees on Veterans' Affairs of the VA's intention "to declare as excess to the needs of the Veterans' Administration certain land and improvements at the VA Medical Center West Los Angeles (approximately 109 acres) and the VA Medical Center Sepulveda (approximately 46 acres)." He noted that GSA estimated that $360 million in revenues would be generated by the disposal of this acreage and that this amount was reflected as savings in the President's FY 1987 budget.

Under the provisions of section 5022(a)(2) of title 38, VA land cannot be declared excess and transferred to GSA until the expiration of a 180-day period beginning on the date that the VA submits to the Veterans' Affairs Committees a report of the facts concerning the proposed transaction.

Mr. Chairman and members of the Committee, the proposal for the excessing and disposal of this VA property is a bad idea for several reasons.

First, it is a phony budget reduction as to FY 1987. Even if the government's title to the property were free and clear -- which it decidedly is not -- and the GSA were free to begin disposal processes now, experience indicates that it would take at least two to three years for the government to consummate a sale of the property.

Second, as I noted, the government's title to the portions of the land in question at the VAMC in West Los Angeles is not free and clear. According to the VA's General Counsel, the government's title to the West Los Angeles land has a cloud on it that would require any sale to

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be at "a fraction of the value of the land" unless and until it is removed.

Much of the land at the West Los Angeles VAMC was deeded in 1888 to the National Home for Disabled Volunteer Soldiers -- a predecessor of the VA -- on the express written condition that it be used for a branch of the Home. The VA General Counsel rendered an opinion on December 30, 1985, concluding that, despite the deed condition, the land may be legally disposed of. However, he noted that sufficient uncertainty exists regarding the effect of the deed condition as to make it extremely difficult to market the land, especially since the heirs of the grantors -- apparently more than 150 of them -- have made it known that they are prepared to sue to try to get the land back if the VA sells it. Thus, the VA's General Counsel has recommended that the Attorney General be requested to file suit to obtain a judicial declaration removing any cloud from the VA's title to the land. In either case, the General Counsel noted, the ensuing litigation could drag on in the courts for years.

To put this matter in perspective, in the instance of a roughly 2-acre parcel of land that is not part of this proposed excessing but was at one time part of the same tract of land deeded to the VA, litigation has been initiated by the heirs challenging the GSA's right to dispose of that land.

Third, it is my understanding that the VA believes it needs the land and OMB is forcing the VA to give it up to be sold off. The GSA survey on which the proposed excessing is based was originally completed more than 3 years ago and updated in October 1985, yet was made available to the VA only in January of this year when the proposed excessing was forced on the VA by OMB in connection with negotiations regarding the FY 1987 VA budget.

The land gives the VA latitude for possible expansion in the future. In the case of the West Los Angeles VAMC, the land could be used for the expansion of the adjacent national cemetery, which is closed to new burials, and any future expansion of the medical facility. In addition, it may be possible to devise a plan under which the land could be temporarily used for other purposes, pursuant to a lease or sharing arrangement for a temporary use, with the VA retaining title and collecting revenues, until such time as the VA may need to retake possession of the land for its own use.

The VA is in the process of completing a review and assessment of the land at these two Medical Centers in order to examine all relevant information and ensure that the disposal of the land will not compromise the agency's ability to meet future program requirements. It is my expectation that the results of this review will -- without question -- demonstrate that disposal of this property as proposed should not proceed. The new Administrator, Thomas Turnage, in connection with his confirmation by the Senate and at the hearings before our Committee on April 10, has assured me that he will reach his own independent judgment in this regard and that he supports retention of the property if it is required to meet VA needs.

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Fourth, Mr. Chairman, there is strong opposition in the communities involved to the excessing and sale of the properties. The neighbors, quite properly, strongly oppose the congestion and disruption from the resulting construc-tion and development. Major national veterans' organizations -- The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America -- have all spoken out in opposition to the Administration's proposal.

Fifth, there are a number of factors -- in addition to the problems with the deed -- that, at the present time, could prevent the West Los Angeles property from being sold at a fair market price and thereby preclude the government from realizing maximum proceeds from any disposition of the property. These include the fact that the land is presently zoned for public use and any commercially valuable development would be prohibited unless a change in zoning is obtained. Further, if Los Angeles County were to take action to permit development, it is not unlikely that the City of Los Angeles would try to incorporate the land within its boundaries and file suit to protect its interest, resulting in as much as a four or five year delay. There also exists a County Board of Supervisors imposed moratorium on new "access cuts" into Wilshire Boulevard in West Lost Angeles, and the lack of direct access by vehicle to that thoroughfare would necessarily restrict the use of the land by a developer. In addition, on one of the parcels of land in West Los Angeles, several structures -- including one built in 1906 -- could conceivably be designated as historic buildings, thus impeding new development and profitable commercial use of the property. In the case of the land at Sepulveda, there are existing leases with city and civic organizations that encumber the land.

Sixth, I believe strongly that not all land, especially not all land in already high density areas around residential neighborhoods, should be developed. The lands in question constitute important open spaces and buffer areas for the communities involved.

Finally, Mr. Chairman, I note my very strong contention that if any sales are to occur the proceeds should be used for the benefit of veterans, not the U.S. Treasury, especially in the case of the West Los Angeles land which was deeded to the VA's predecessor agency expressly for the use of veterans.

Mr. Chairman, as you well know, this issue must not be dismissed as solely a California issue. It is far from that.

OMB's action in this situation is contrary to the intent of the law. In 1983, Congress expressly enacted legislation you proposed, Mr. Chairman, changing the law as to VA land disposition so that the Administrator of Veterans' Affairs, not GSA or OMB, would have the final word in determining whether land is "no longer needed by the Veterans' Administration in carrying out its functions" and thus is to be turned over to GSA as excess. In this case, OMB is trying to substitute its judgment for that of the head of the VA.

Thus, the OMB-forced proposal to excess this property -- at the expense of our Nation's veterans -- solely to achieve an artificial budget reduction is far more than just shortsighted and ill-advised. For the VA to be required against its better judgment to dispose of valuable resources would be improper and would establish a totally unacceptable precedent under the 1983 law.

Mr. Chairman, I urge the Committee to give favorable consideration to H.R. 4204 and pledge to you my continuing support and assistance in efforts to secure enactment of legislation to prohibit the proposed excessing of these important VA lands.

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WESTSIDE COMMUNITY PLANNING COUNCIL

BENEDICT CANYON LANDOWNERS ASSOCIATION

HOME OWNERS OF SOUTH WESTWOOD, INC.

TRACT NUMBER 7980
WESTWOOD HILLS PROPERTY OWNERS ASSOCIATION

RICHARD D. AGAY, President
9465 WILSHIRE BOULEVARD
SUITE 800
BEVERLY HILLS, CALIFORNIA 90210
(213) 278-1111

April 8, 1986

WCPC

Honorable G. V. Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Honorable Alan Cranston
U.S. Senate
5757 W. Century Blvd., #515
Los Angeles, California 90045

Dear Congressman Montgomery and Senator Cranston:

This Council is in wholehearted support of H.R. 4204 and S. 2141. We are grateful for your efforts and those of Congressman Beilenson, Supervisor Edelman and Councilman Yaroslavsky in atte.pting to stop the sale of open space for impropr private development.

Yours very truly,

RICHARD D. AGAY, President
WESTSIDE COMMUNITY PLANNING
COUNCIL

RDA:lf
cc: Honorable Anthony C. Beilenson
Honorable Pete Wilson
Supervisor Edmund D. Edelman
Honorable Zev Yaroslavsky

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STATEMENT OF CONGERSSMAN MEL LEVINE

Before the

THE VETERANS AFFAIRS COMMITTEE

April 23, 1986

Mr. Chairman, and members of the Committee, I appreciate this opportunity to express my serious reservations regarding the Administration's proposed sale of land at the VA Medical Center, West Los Angeles, and at the VA Medical Center, Sepulveda.

I have three concerns regarding this sale. First, it has not been clearly established that this land is in excess. Second, due to particular circumstances surrounding these tracts, it is highly unlikely that the treasury will actually realize the revenue it anticipates from this sale. Finally, this sale represents short-sighted budgeting priorities and sets a dangerous precedent for the future.

At issue is the question of whether this land is truly in excess. At the February 6 hearing before this Committee, Acting VA Administrator Alverez indicated he has reservations about whether these lands are excess, and I agree with his concern. The VA medical facilities in Los Angeles are among the most prominent in the system, and maintaining this facility requires room for future expansion and improvement. The lands surrounding the hospital provide a reserve for the future growth and vitality of the medical facilities. Selling these parcels now will severely limit tommorow's options for growth. In fact, there are several projected uses of this acreage already. As the veteran's population ages, and changes are made in the national health care system, there will be increasing needs for an ambulatory care facility and a geriatric facility. Additionally, several joint projects with UCLA, including a head & neck surgical facility, a heart center, an orthopedic hospital, and a hospice center are being considered. A segment of

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the land could be used to expand the adjacent national cemetery, which has been closed to new burials for several years. Office space could be provided on these lands for the VA regional office which is currently using rented space in Los Angeles at an annual cost of over $4 million. Additionally, current buildings in the LA Medical Center have sesimatic or safety deficencies, and may need to be replaced. With this myrid of projects, declaring this land excess is unreasonable and short-sighted. Any policy regarding the future disposal of this acreage must take into consideration the pressing future needs of the VA.

I also question policy designating land as "excess" because it is not over-built. The open lands surrounding the medical facilities provide an important oaisis in crowed Los Angeles. As development continues, fewer opportunities to perserve open space exist. There is strong community opposition to the sale of these areas due to the increased congestion development will bring. Policy regarding the final use of these lands give full consideration to the value and necessity of maintaining open space areas.

Additionally, this land is now serving as a buffer zone providing privacy for the hospital, research facilities, and patients. Currently, some patients of the psychiatric hospital have grounds privileges, and local traffic passing through the hospital causes a safety hazard for these patients. Commercial development will errode this buffer zone, increase traffic, and reduce the privacy of the hospital.

I am also concerned that the sale of this property will not raise the revenues the Administration anticipates. First, there is no clear title to this property. Much of the land at the Los Angeles medical facility was deeded to a predecessor of the VA in 1888 specifically to be used for a branch of the National Home for Disabled Volunteer Soldiers. Although the deed does not contain a clear revision clause, heirs of the original

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benefactors have retained legal counsel and stated that they may challange the sale of the property. The law suits generated by the many heirs could take years to resolve, as any purchaser will realize. The threat of lengthy lawsuits will substantially reduce any offer for the land. Additionally, there are other restrictions, including existing leases, possible designation of some structures as historic buildings, and the limitation of new access into Wilshire Boulevard which will make this land less attractive, and less valuable, to developers. Although the Administration hopes to realize $360 million from the sale of these lands, it is highly unlikely that this figure would be approached.

This sale represents short-sighted budgeting priorities, by allowing a valuable and useful resource to be sold out from under the VA medical centers at discount rates. The projected proceeds from this sale appear in the FY '87 budget as contributing to reducing the deficit. Although reducing the deficit and balancing the budget are always prime considerations, sacrificing an irreplaceable resource to generate a one-time budget reduction is an artificial solution to the budget problems at best. Further, the proceeds from this sale do not go to the Veteran's Administration, but go into the treasury. Veterans are denied both the use of the property, and the benefits of its sale.

I am opposed to the sale of this property. It is an artificial attempt to deal with very real budget problems, it will not raise the revenue projected, and this land is a valuable resource of the VA medical centers in Los Angeles. I must urge the Administration to withdraw this proposal.

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MOTION

The Veterans' Administration has proposed selling approximately 150 acres of federal land in the West Los Angeles and Sepulveda areas.

Development of the approximately 109 acres of land in the West Los Angeles area would be of concern to the City as this would greatly aggravate traffic in this already congested area. Development of the Sepulveda property could alter the character of the surrounding single-family residential community as well as threatening the Mission Hills Little League baseball diamonds. In both cases, the Veterans' Administration property represents a substantial portion of the 'green space' in the communities, and is consequently irreplaceable.

Senator Cranston (D-CA) and Congressman Montgomery (D-MS) have authored bills to prevent the sale of these properties.

I THEREFORE MOVE that the City include as part of its 1985-86 legislative program, support for S.2141 and H.R.4204 which would prohibit the Veterans' Administration from declaring property in West Los Angeles and Sepulveda as excess.

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STATEMENT OF
COUNCILMAN ZEV YAROSLAVSKY
LOS ANGELES CITY COUNCIL
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
OF THE
HOUSE VETERANS' AFFAIRS COMMITTEE
ON
APRIL 23, 1986

MY NAME IS ZEV YAROSLAVSKY, AND I AM A MEMBER OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES. I AM PLEASED TO APPEAR BEFORE YOU TODAY IN SUPPORT OF H.R. 4204, A BILL WHICH WOULD REJECT THE ADMINISTRATION'S 87 BUDGET PROPOSAL TO SELL SOME 150 ACRES OF VETERANS ADMINISTRATION OWNED LAND IN THE WEST LOS ANGELES AND SEPULVEDA AREAS OF CALIFORNIA.

I HAVE SERVED ON THE LOS ANGELES CITY COUNCIL FOR NEARLY 11 YEARS AND HAVE BEEN CHAIRMAN OF THE PLANNING COMMITTEE AND AM CURRENTLY CHAIRMAN OF THE FINANCE COMMITTEE. IN BOTH CAPACITIES I HAVE HAD TO LOOK CLOSELY AT LAND USE ISSUES AND REVENUE SOURCES. BOTH OF THESE AREAS ARE RELEVANT TO OUR DISCUSSION HERE TODAY, AND I WOULD LIKE TO STATE FOR THE RECORD SOME OF THE CONCERNS I HAVE FOR THE ADMINISTRATION'S PROPOSAL AS IT AFFECTS THE TWO PARCELS.

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THE 109 ACRES IN THE WEST LOS ANGELES AREA IS ONE OF THE LAST UNDEVELOPED REAL ESTATE PARCELS IN THE WESTWOOD AREA OF LOS ANGELES. IT IS LOCATED ADJACENT TO EXTREMELY CONGESTED RESIDENTIAL AND COMMERCIAL AREAS AT THE INTERSECTION OF WILSHIRE BOULEVARD AND THE SAN DIEGO FREEWAY. THE PROPERTY IS CURRENTLY SURROUNDED BY MULTIPLE FAMILY UNITS AND HIGH RISE BUILDINGS THAT HAVE SUBSTANTIALLY ELIMINATED OPEN SPACE IN THAT AREA. THE SALE AND DEVELOPMENT OF THIS VETERANS ADMINISTRATION LAND WOULD GREATLY AGGRAVATE THE ALREADY INTOLERABLE TRAFFIC CONDITIONS, AND WOULD ELIMINATE MUCH OF THE ALREADY SCARCE "OPEN SPACE" IN THIS AREA.

I WOULD LIKE TO POINT OUT THAT THIS GENERAL AREA CONTAINS THREE OF THE BUSIEST INTERSECTIONS IN THE CITY OF LOS ANGELES - WILSHIRE AND VETERAN, WILSHIRE AND WESTWOOD, AND WILSHIRE AND GAYLEY. IN FACT, THE APPROXIMATELY QUARTER MILE STRIP OF WILSHIRE BOULEVARD BETWEEN THE SAN DIEGO FREEWAY AND VETERAN AVENUE IS THE MOST HEAVILY TRAVELLED SECTION OF STREET IN THE CITY, AVERAGING 106,000 CARS A DAY. THIS TRAFFIC VOLUME EXCEEDS MANY OF OUR LOCAL FREEWAYS. THE SAN DIEGO FREEWAY THAT BISECTS THIS AREA CARRIES MORE THAN 220,000 CARS A DAY IN EACH DIRECTION. THE RESULT OF THIS STREET TRAFFIC VOLUME IS THAT THESE LOCAL INTERSECTIONS ARE OPERATING AT MAXIMUM CAPACITY.

THE CITY IS CURRENTLY REVIEWING DISTRICT ZONING PLANS FOR THIS ENTIRE AREA, BECAUSE INFRASTRUCTURE AND LAND USE ARE NOT COMPATIBLE AT THIS TIME. CURRENT RESIDENTIAL AND COMMERCIAL DENSITIES

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WERE PREDICATED UPON THE COMPLETE DEVELOPMENT OF MAJOR AND SECONDARY HIGHWAYS PREVIOUSLY PLANNED FOR THIS AREA, INCLUDING AN ADDITIONAL FREEWAY AND MASS TRANSPORTATION FACILITIES, NEITHER OF WHICH HAVE BEEN COMPLETED DUE TO STATE AND FEDERAL FUNDING REDUCTIONS.

I EMPHASIZE THE TRAFFIC PROBLEMS IN THIS AREA TO UNDERSCORE THE CITY'S DETERMINATION TO RESIST ANY INTENSIVE RESIDENTIAL OR COMMERCIAL DEVELOPMENT OF THIS LAND. I HAVE THOROUGHLY DISCUSSED THIS ISSUE WITH SUPERVISOR ED EDELMAN OF THE LOS ANGELES COUNTY BOARD OF SUPERVISORS. SUPERVISOR EDELMAN AND I ARE IN COMPLETE AGREEMENT THAT INTENSIVE DEVELOPMENT OF THIS LAND IS INAPPROPRIATE. WE BELIEVE THE ACTUAL REVENUE FROM THE PROPOSED SALE OF THIS PROPERTY WILL BE FAR LESS THAN THE BUDGET ESTIMATE MADE BY THE OFFICE OF MANAGEMENT AND BUDGET .

I WOULD LIKE TO REMIND THIS COMMITTEE THAT THIS LAND WAS DONATED TO THE GOVERNMENT FOR THE SOLE USE OF A NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS, NOW THE VETERANS ADMINISTRATION. THE HEIRS OF THE FAMILIES WHOSE ANCESTORS ORIGINALLY DONATED THIS LAND HAVE INDICATED THAT THEY WILL LEGALLY CHALLENGE THE SALE OF THIS PROPERTY. THIS WILL SURELY CAST DOUBTS AS TO THE REVENUE THAT COULD BE GENERATED FROM THE SALE OF THIS PROPERTY.

I WOULD ALSO LIKE TO DISCUSS THE IMPLICATIONS OF THE SALE AND DEVELOPMENT OF THE SEPULVEDA PROPERTY. THE SALE OF 41 ACRES IN THE SAN FERNANDO VALLEY COULD ALTER THE CHARACTER OF THE SURROUNDING SINGLE-FAMILY RESIDENTIAL COMMUNITY AND THREATEN THE MISSION

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HILLS LITTLE LEAGUE BASEBALL DIAMONDS AND THE MISSION HILLS PUBLIC GOLF COURSE. AS IN THE CASE OF THE WEST LOS ANGELES SITE, DEVELOPMENT OF THIS SITE WOULD BE VIGOROUSLY OPPOSED BY THE SURROUNDING RESIDENTS AND THE CITY AS THERE ARE NO ALTERNATIVE SITES FOR RECREATIONAL ACTIVITIES ANYWHERE IN THE IMMEDIATE AREA. AGAIN, THE CITY MAY HAVE TO SEVERELY LIMIT THE FUTURE USE OF THIS LAND TO KEEP IT COMPATIBLE WITH SURROUNDING LAND USES. THIS WOULD GREATLY REDUCE THE REVENUE ESTIMATED BY THE OFFICE OF MANAGEMENT AND BUDGET FROM THE PROPOSED SALE.

IN CONCLUSION, THE DECISION TO SELL AND DEVELOP EITHER THE WEST LOS ANGELES OR SEPULVEDA VETERANS ADMINISTRATION PROPERTY IS NOT IN THE BEST INTFRESTS OF THE PUBLIC AT LARGE, THE NEEDS OF THE 1.2 MILLION AGING VETERANS LOCATED IN THE STATE OF CAL!FORNIA, OR THE FUTURE NEEDS OF THE VETERANS ADMINISTRATION.

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STATEMENT OF
RICHARD F. SCHULTZ
ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
OF THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
April 23, 1986

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans and its Ladies' Auxiliary, I wish to express our appreciation for the invitation to appear here today to discuss the views of our organization relating to declaring excess to VA needs certain real property in California, and the Veterans Administration plans for collocating VA regional offices on VA medical center grounds.

Mr. Chairman, we wish to thank you for the timely exercise of your oversight responsibilities on these issues, especially in light of the recent Administration proposal to declare excess to VA needs certain real property in California.

H.R. 4204

Introduced by yourself, Mr. Chairman and Mr. Edgar, this measure proposes to prohibit the VA from declaring excess -- and thus dispose of -- certain parcels of land located at the VA Medical Center, West Los Angeles, California (consisting of approximately 109 acres) and the VA Medical Center, Sepulveda, California (consisting of approximately 46 acres).

Mr. Chairman, this measure was introduced in response to an Administration Fiscal Year 1987 budget proposal that would permit the disposing of such property by the General Services Administration under government-wide disposal guidelines.

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According to the Administration, sale of that land would generate an estimated $360 million in revenue to the government.

Mr. Chairman, the proposal to divest real property of the Veterans Administration most definitely has it origins in the Office of Management and Budget (OMB). Our primary concern relates to the Administration's obvious desire to establish and initiate a system-wide policy within the VA of disposal of property, primarily at VA medical centers, that very well could be -- and probably will be -- contrary to the best interests of individual medical centers and the system as a whole.

In the instant case, there are numerous reasons that compel us to oppose the excessing of this land. These include the obvious legal implications involved and litigation that is sure to ensue, coupled with the apparent reduced fair market price that would occur as a result of such legal action. Certain local encumbrances and perceptions from the community further portray this as an ill-conceived proposal. Additionally, and perhaps most importantly, the VA has stated its belief that it needs the land for the purposes of patient utilization as well as possible expansion relating to various agency needs.

We therefore strongly urge favorable consideration of H.R. 4204.

Mr. Chairman, prior to commenting on the issue of relocating VA regional offices on VA medical center grounds, I would like to first express our sincere appreciation for previous actions taken by this Committee (in response to Administration proposals to consolidate VA regional offices into one "super center") to allow for Congressional oversight of any plan which proposes to reorganize the Veterans Administration -- particularly those proposals aimed at centralizing VA claims processing.

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Mr. Chairman, as always, the DAV welcomes the opportunity to work with you and the staff of the Veterans Affairs Committee in identifying areas in which federal dollars may be saved through the elimination of waste and the promotion of efficient management of resources within the VA.

However, as stated before this Subcommittee last year, when considering any plan to locate VA regional offices on VA medical center grounds, we must recognize the basic function of a VA regional office -- which is to provide direct services to veterans who make claims for a wide range of VA benefits and services. And, as a consequence, regional offices are, and always have been, geographically positioned to provide convenient and timely service to veterans.

As we understand it, VA offices (not located on property owned by the Veterans Administration) must pay rent to the General Services Administration (GSA) in an amount based on the going rate of rent in a given geographic area.

Obviously, inherent in the concept of collocating VA regional offices with VA medical centers, in addition to GSA rental fees, are the potential savings which include the sharing of some administrative functions such as personnel, building management, supply activities, etc.

However, Mr. Chairman, as indicated above, we must not only look at the potential dollar savings associated with collocation, but we must also determine if collocation would enable the VA to respond to the needs of veterans in an efficient and timely manner.

In order to understand the relationship between regional offices and medical centers (as it pertains to the adjudication of VA compensation/pension claims), one must examine the claims process.

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For example, current medical information is needed by Rating Boards in most original and reopened compensation/pension claims. In these instances, regional offices must mail a request to the VA medical center in order to obtain specific examinations and reports. Also, in reopened claims of veterans receiving treatment at VA medical centers, regional offices must also obtain hospital summaries, convalescent statements and outpatient treatment, physical therapy and prosthetic records.

Requests for medical information are usually mailed across the city or, in some cases, hundreds of miles to VA medical centers for appropriate action and response. In many regional offices (not collocated with medical centers) it may take several months to obtain examination or outpatient reports.

In some instances, it is necessary for service organization representatives to travel from the regional office to the medical center to locate appropriate records and examination reports and assure that this information is transferred to the Rating Board at the regional office.

Mr. Chairman, in order to assess the desirability of collocation -- in terms of providing service equal to or better than that currently being provided at VA regional offices not collocated -- we contacted DAV National Service Officers (NSOs) working at regional offices presently located on VA medical center grounds.

The general consensus of these NSOs is that veterans receive service at more efficient or, at least, equally efficient levels when regional offices are collocated with medical centers.

Those NSOs housed in the same or connected buildings at collocated sites state that the processing time for adjudication of claims has been greatly reduced due to an enhanced rapport

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and exchange of medical information between regional office and medical center personnel.

DAV NSOs in regional offices located on medical center ground (some of which are one-half mile from the medical center) inform us that parking is generally more accessible and veterans who are either hospitalized or receiving outpatient treatment at the medical center now have "one stop shopping," whereas before veterans would have to travel greater distances between the regional office and medical center to contact a veterans' benefits counselor or service organization representative (who have access to their VA claims folders).

Therefore, Mr. Chairman, based on the observations of our National Service Officers stationed at existing collocated VA facilities, I can state that the DAV is favorably disposed to collocation.

However, I must stress that each proposed collocation must be thoroughly assessed to determine feasibility in terms of timely and efficient service to our nation's veterans, their dependents and survivors. Potential savings, while an important factor, must not be the sole criterion.

This concludes my statement, Mr. Chairman. I again wish to thank you and the members of the Subcommittee for allowing us this opportunity to express the DAV's views on these important subjects.

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PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

STATEMENT OF

BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

COLOCATION OF VARO's WITH VAMC's AND LAND EXCESSING

APRIL 23, 1986

Mr. Chairman and Members of the Subcommittee, I am Bob Moran, Associate Legislative Director of Paralyzed Veterans of America, and I want to thank you for affording PVA the opportunity to appear here today.

PVA appreciates the Subcommittee's holding of this hearing, and for being able to express our views and concerns regarding the status of plans for relocating VA Regional Offices to VA Medical Center Grounds and the declaring of certain VA land as excess. Colocation is an issue that is of significant importance to the members of PVA. It is on behalf of these veterans who have daily contact with the VA's Medical Facilities and Regional Offices, located throughout the United States, that we present our views in our testimony here today.

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300

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PVA highly recommends the colocation of certain Veterans Administration Regional Offices and Veterans Administration Medical Centers. The concept of colocation would prove to be more cost effective while providing the VA the enhanced ability to provide service in a more efficient and timely manner to the veteran at a single location.

Realistically, establishing a program to colocate VA facilities reduces duplication of costs of providing General Services Administration rental and/or leasing, security and maintenance services, motor pools, and most, if not all, overhead expenditures involved in the operation of two facilities versus one. Therefore, PVA's recommends, that when in light of the budget restraints the VA is being faced with, coupled with the potential cost savings involved, a program of colocation by the VA should be accelerated and utilized wherever feasible.

PVA, after surveying our National Services Offices located throughout the VA system, determined the feasibility of at least 25 VA Regional Offices being colocated within VAMC facilities, or at a VAMC where land is available. Each site surveyed has a Regional Office and VAMC located within 20 miles of the other, and where public transportation is readily available without inconvenience to staff and also for veterans needing services at the colocation sites. Providing the veteran both medical and administrative assistance at one location is beneficial and advantageous to the government, the VA and the veteran.

PVA believes that the concept of colocation would improve the coordination of VA services to veterans. It would also be less time consuming to retrieve

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the veteran's medical records and C-file, when held at one location, as compared to the time presently needed to retrieve these same records from two separate locations.

Colocation would also assist the VA in maintaining the face-to-face service to veterans, which is of paramont importance. Additionally, the availability of the veteran's records to conduct formal hearings resolves another major concern, and a consideration that serves both the VA and the veteran in expediting individual cases and caseloads.

Mr. Chairman, we recognize that the VA has lease commitments for the space currently utilized by Regional Offices. These leases vary in terms of the duration and cancellation provisions for these offices, and would preclude wholesale colocation at any particular time. These provisions do however, afford the VA the opportunity to make long term plans for implementing colocation on a station by station basis.

PVA recommends that the VA assess all of their leases at Regional Offices where the availability of land or facilities has been recognized for possible colocation with existing VAMCs. This comparison of potential cost savings by combining the VAROs with VAMCs, over a long-term period, has proven to be feasible and warrants a more serious consideration by the VA.

To repeat, the duplicative administrative costs for security, maintenance, heat and air conditioning, and miscellaneous significant other costs must be included in the overall considerations to provide long-term plans to colocate facilities. A perfect example of colocation already exists in Milwaukee,

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Wisconsin, at the Woods VA Medical Center with its Regional Offices, and there are, currently, eight other VAMROCs.

H.R. 4204

PVA supports H.R. 4204, a bill introduced by the distinguished Chairman of the Full Committee, and this Subcommittee, the Honorable G.V. "Sonny" Montgomery and the Honorable Robert Edgar, Chairman of the Subcommittee on Hospitals and Health Care. This bill would prohibit the VA in declaring excess, and thereby disposing of, certain parcels of land located at the VA Medical Center, West Los Angeles, California (approximately 109 acres) and at the VA Medical Center, Sepulveda, California (approximately 46 acres).

This measure, according to the Administration, would generate an estimated $360 million in revenues for the government, which is clearly a proposal initiated by OMB and not the VA. PVA believes the most important factor that should be considered is, that as long as the VA would need the land for future VA facility expansion, the land should be retained by the VA. Therefore, PVA supports H.R. 4204, and urges that this Subcommittee favorably report the bill to the Full Committee for passage.

Conclusion

Mr. Chairman and Members of the Subcommittee, PVA is aware that this is a time of challenge and we are concerned about the American taxpayer and the need to spend government funds as efficiently and as effectively as possible; therefore, our comments to these proposals, collectively, are to assist you in improving service to veterans and at the same time be cost-effective where possible. This concludes my statement, and I will be glad to respond to any questions that I can.

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF

GORDON R. THORSON, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON OVERSIGHTS AND INVESTIGATIONS
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

VA COLLOCATION AND EXCESSING OF CERTAIN VA REAL PROPERTY

WASHINGTON, D. C. APRIL 23, 1986

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

It is truly an honor to appear before this distinguished Veterans' Affairs Subcommittee. I'm proud to be here today representing more than 2.7 million men and women of the Veterans of Foreign Wars of the United States. I serve the VFW as a Special Assistant in the Legislative branch of our organization.

I'm prepared to present the views of the Veterans of Foreign Wars of the United States, as it pertains to collocation of Veterans Administration (VA) Regional Offices with existing VA Medical Centers (VAMC) and excessing of certain VA real properties located in southern California. Inasmuch as collocation and excessing are two separate concerns, I will address each issue individually and then summarize the VFW's position.

The VA has considered various alternatives in its pursuit of a viable plan to modernize and minimize excessive administrative costs in the Department of Veteran's Benefits field operations. Collocation is the most current option

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under consideration and investigation. Ideally collocations would improve the efficiency of VA operations in the areas of management, employee utilization, supply, security, transportation, communications, morale, and achieve savings in personnel for shared functions. The VA further believes that by locating the regional offices in close proximity to VAMCs, veterans would benefit from the availability of one-stop service.

On the surface collocation appears to be a good idea. General Services Administration (GSA) has cooperated with the VA and they too have no problem with collocation of functions, when it is proven cost effective. It appears as though collocation could allow the Federal Government considerable cost savings. Building onsight regional offices on VAMC grounds would reduce the amount of money paid to GSA for rented space. When we consider that the VA now pays GSA approximately $50 million annually for rented space, this point becomes even more significant.

The Veterans of Foreign Wars will always support cost-efficient, cost-effective, responsible utilization of this country's tax dollar. We welcome efforts to improve the Veterans Administration's Department of Veterans Benefits delivery system, the VA should be commended; however, a word of caution: **The Veterans of Foreign Wars will not support collocation, unless it can be clearly demonstrated (on a case by case basis) that <u>each</u> collocation will improve the regional office services available to the veterans of that region.** We insist that a thorough planning effort be undertaken at each of the purposed sites to insure that the needs of veterans are considered and given first priority. We ask that the following additional factors be considered at each and every collocation site:

1. Accessibility/convenience to the veteran client;
2. Adequate parking facilities;
3. The availability of reasonably priced public transportation; and

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4. Adequate, acceptable space for all full-time, paid, accredited representatives of recognized service organizations.

We conclude our position on collocation by emphasizing that: **the Veterans of Foreign Wars supports efforts to reduce the cost of delivering veteran benefit services, however, we can not accept collocation if it means a deterioration of VA Regional Office services or if the regional office facility would become less accessable to the veteran public.**

The VFW has a similar position on the excessing of Veterans Administration real property. We believe each and every excessing proposal should be evaluated on its own merit. Conceivably some VA lands may not be needed and could logically be excessed, however the proposed excessing of land at the VAMC in West Los Angeles, California, and the VAMC in Sepulveda, California, does not fall into this expendable category.

The VFW will oppose efforts to sell any land still needed by the Veterans Administration. We oppose any short sighted sellout of irreplaceable land (assets), set aside for use by veterans, to satisfy a (questionably) short-term small savings in the President's overall Fiscal Year 1987 budget. Veterans will be here long after Fiscal Year 1987 has come and gone and will continue to have an increasing need for health care and benefits provided by the VA. This increasing need will likely require more space, possibly causing expansion into the very land areas now proposed as excess. We will oppose any plan that would excess property at the expense of the rightful owners: this Nation's veterans. We ask that Congress not allow the questionable short term sellout of VA lands, currently disguised as a savings in the President's Fiscal Year 1987 budget, to occur and limit likely future requirements for expansion.

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We specifically oppose the proposed excessing of VA land in Southern California. This sellout appears questionable, many uncertainties come to mind.

1. Has the Veterans Administration complied with Section 5022(d) of Title 38 United States Code (USC)? During testimony conducted 6 February 1986 before the House Veteran's Affairs Committee hearing on the VA's Fiscal Year 1987 budget, this organization was given the impression that acting VA Administrator Alvarez' was in agreement with the committee chairman that the land in question (southern California) could be needed in the future and shouldn't be excessed. Who then determined that the properties in California were no longer needed by the VA? Title 38 USC Section 5022(d) specifically states: "Real property under the jurisdiction of the Administrator may not be declared excess by the Administrator and disposed of by the General Service Administration or any other entity of the Federal Government unless the Administrator determines that the property is no longer needed by the Veterans Administration in carrying out its functions." (emphasis added)
2. Does the VA hold clear title to the land in West Los Angeles? Isn't there a strong possibility that costly litigation will ensue

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if the VA attempts to sell the West Los Angeles property?

3. Has a determination been made as to all possible future alternative uses for the land in question, both private and public?

4. Wouldn't collocation of regional offices or medical center expansion utilize a good portion of this available land?

5. Couldn't a large portion of the land at West Los Angeles be used for the expansion of the adjacent national cemetery?

6. The Veterans Administration has a domiciliary located on the West Los Angeles property. Has the possibility of future domiciliary needs (expansion) been given adequate consideration?

7. What impact will the development of this land have on the surrounding community? We understand that the impacted community strongly opposes development.

8. Can the land in California, if deemed excess, actually be disposed of in time to impact the Fiscal Year 1987 budget?

9. If the land is sold, who will benefit from the $360 million gain; will the money be deposited into the local VAMC budget account, the Veterans Administration's general fund, or the United States Treasury?

One fact is apparent; the Federal Government is in position to severely alter the natural environment of the communities surrounding the West Los

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Angeles VAMC and the Sepulveda VAMCs'. The probable impact of dumping 155 acres of prime real estate into the hands of greedy developers is mind boggling. Luckily the final decision is not in the hands of the Office of Management and Budget (OMB) or the VA. Title 38 USC, Section 5022(a)(2) requires that the Committees on Veterans' Affairs of the United States Senate and House of Representatives be notified of the facts concerning the proposed transaction. The VFW is confident that Congress will not allow the Veterans Administration or any other entity of the Federal Government to sell off needed VA assets.

In conclusion the Veterans of Foreign Wars position on collocation and excessing is as follows: **The VFW will oppose the collocation of VA Regional Offices on VA Medical Center grounds unless it is clearly shown that it will enhance services for the veterans using that facility. And, the VFW opposes the excessing or disposal of VA land and improvements located at the VAMC, West Los Angeles, California, and at the VAMC, Sepulveda, California.**

The VFW has assumed an extremely cautious position with respect to both collocation and the selling of any VA land assets. We insist that if any VA land is sold, the profits must be reinvested into veteran's programs and if any regional office is relocated, the relocation must benefit the veterans of the region.

Mr. Chairman, this concludes my testimony. I will be happy to answer any question you may have.

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Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

RODNEY S. KIRK, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

EXCESSING OF VA PROPERTY AND CO-LOCATION
OF VA MEDICAL CENTERS WITH VA REGIONAL OFFICES

April 23, 1986

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STATEMENT OF RODNEY S. KIRK, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON VETERANS AFFAIRS
U. S. HOUSE OF REPRESENTATIVES
APRIL 23, 1986

Mr. Chairman and Members of the Subcommittee:

The American Legion is pleased to have this opportunity to present its views on the subjects of co-location of Regional Offices and Medical Centers of the Veterans Administration; and plans for declaring excess to the needs of the VA, certain real property in California.

The first issue we shall address pertains to the efforts of the Office of Management and Budget to have declared as excess to the needs of the Veterans Administration, 46 acres of land at the VAMC Sepulveda, and 109 acres of land that are presently part of the complex that includes VAMC West Los Angeles. We have spoken to this issue during recent hearings, but we feel it necessary to reiterate the concerns of The American Legion on this proposal.

We are most familiar with the situation at West Los Angeles, as we have been in consultation with The American Legion of California on this issue for the past decade.

The entire complex that comprises VAMC West Los Angeles, VAMC Brentwood, the VA Domiciliary and the National Cemetery operated by the VA Department of Memorial Affairs includes a total of 545.5 acres.

The original grant of the land that comprises these various VA activities was made in a deed executed by the owners of the land in the year of 1888. The land was gifted by the owners to

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the Federal Government to be used for the construction and operation of a Home for Disabled Volunteer Soldiers. Such a home was constructed and maintained, and through the years the original activity has changed, expanded and been modified until we see that today the entire complex comprises a variety of activities carried on by VA for veterans.

As the City of Los Angeles has expanded, the land comprising the VA complex at West Los Angeles has become exceedingly valuable real estate. We can attest that all the VA land is coveted by the City of Los Angeles, by the University of California at Los Angeles (UCLA), and by developers who could make millions of dollars if they could gain control of that land, or any part of it.

The American Legion of California has long entertained an apprehension, shared by the National Organization of The American Legion, that sooner or later a move would be made to attempt to gain control of some or all of this land, as it is described in these paragraphs. We see in this initiative to transfer 109 acres of the land to GSA, the first move in this direction. The value of the land in Los Angeles County being what it is, and human avarice being what it is, there is no way some move would not be made to dispossess sick and disabled veterans from such valuable land to the end of putting a lot of money in developers pockets.

If the transfer proposed in this initiative is accomplished, we of the Legion have reason to believe that the heirs and descendants of the owners who gave the land to the U.S. for the specific purpose of caring for sick and disabled veterans may

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very well undertake court action to invalidate the original deed and reclaim the entire complex of land. The resulting value of such an action, if successful, would be profitable to the claimers beyond the wildest imagination of most of us.

A special review team from VA Central Office has visited both West Los Angeles and Sepulveda to review the existing use of the land, and its proposed future use through the year 2010. We also understand that intensive future utilization studies are also underway within the West Los Angeles VA Medical Center. The American Legion has not had the opportunity to review the results of these surveys, but we trust that VA can identify and justify the need to maintain this property for use by veterans. We have been advised that preliminary discussions mention utilizing the land for construction of a Regional Office, a State Veterans Home, and expansion of the VA National Cemetery in Los Angeles. In addition, we understand that in October 1984, the Administrator of Veterans Affairs transferred 20 of the 109 acres to the Department of Memorial Affairs to be utilized to expand the National Cemetery, but since that time, OMB has denied transfer of these 20 acres.

Mr. Chairman, The American Legion will continue to oppose the transfer of any portion of the land herein discussed to anybody, for any purpose other than to continue to provide care for veterans. The complex of land described herein encompasses a wide variety of activities for the care of perhaps the largest single concentration of veterans to be found in the nation. There is no possibility that the scale of veterans activities now

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being carried on at West Los Angeles will be in any way scaled down for the foreseeable future.

We would urge this Subcommittee and the full Veterans Affairs Committee to use any means available to block any attempt by the General Services Administration to force VA to declare this property excess, while the results of the recent VA site visit are being analyzed, and the legal entanglements surrounding the West Los Angeles property are being worked out.

The second issue we have been invited to address pertains to the issue of relocating VA Regional Offices to VA Medical Center grounds.

The American Legion generally supports the co-location of ROs and VAMCs, and we recommend the practice be expanded, where possible, in those instances where such a combination of activities will provide maximum accessibility and convenience to veterans and, that will be cost-effective through the combination of administrative and support services.

Currently, there are a number of instances where Regional Offices and Medical Centers share the same campus. Many people presume these are instances of co-location. However, this is not precisely correct insofar as VA language and procedures are concerned.

We are informed there is currently only one instance of co-location in the VA system. This is at Milwaukee, Wisconsin, where the VAMC Wood, and the Milwaukee Regional Office share the same campus, and each facility has its own management component.

In addition to Milwaukee, there are nine instances of sharing

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of campus, although these are not considered by VA to be co-locations, in that they are identified as VAMROCs, and are managed by a single Director. The nine locations are Cheyenne, Wyoming; Fargo, North Dakota; Fort Harrison, Montana; San Juan, Puerto Rico; Sioux Falls, South Dakota; Togus, Maine; Wichita, Kansas; White River Junction, Vermont; and, Wilmington, Delaware.

When researching this issue in the past, we talked to several of our American Legion Service Officers, and the information we obtained is essentially uniform and consistent. We learned that in all instances, although there is sharing of campus, each RO and VAMC is separately budgeted, one in the Department of Veterans Benefits Budget, and the other in the Department of Medicine and Surgery Budget. And, of course, the DVB and DM&S Budgets are based on differing criteria. We did not learn, however, that the budgeting methods now used resulted in any special problems - other than the ongoing problem of securing sufficient funding to carry out the mission of the particular field station, whether in DVB or DM&S.

Each of our Service Officers spoke unanimously and enthusiastically about the fact that the sharing of campus enhanced their ability to provide service to their clientele. This is what we would refer to as the proximity factor. By the proximity factor we mean two things specifically. One is the opportunity to assist the veteran to complete all business with VA and with the service organization representative during one visit. For example, the veteran may have an appointment in the clinic, and can proceed from that to the office of the service representative

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and complete his or her business there. Or where there may be a mobility factor for the veteran, the Service Officer can contact the veteran in the clinic area, thus saving time and trouble.

The other element of the proximity factor is the ability of the Service Officer to associate needed medical records of the veteran with the claims folder, to expedite the development and presentation of claims for benefits. Also involved here is the ability to consult with examining and treatment physicians in developing the veteran's claim, or in insuring the provision of needed medical care, maintenance of appointment schedules, etc. All of this is most helpful to the veteran, and coincidentally, it is helpful to the Service Officer in providing prompt service and conserving use of available work time. All of our Service Officers stated they like this type of arrangement very much.

All of this being so, it seems to us the VA and its clientele can only gain through the establishment of as many co-located facilities as available acreage will accommodate. The American Legion working Service Officers with whom we spoke, including Mr. Fred Heinle at Milwaukee - the only actual co-located facilities now in the VA, pretty much made this their stated position. All of our Service Officers spoke positively of practically all aspects of co-location, including supportive and responsive management policies.

We understand that studies are being conducted at several additional locations to determine the feasibility of co-location which, if found to increase efficiency would take place during the period from 1988 through 1991.

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As previously stated, The American Legion, based on a case by case review, will support those proposals where such a combination of activities will provide maximum accessibility and convenience to veterans, dependents and survivors, and that will be cost-effective through the combination of administrative and support services. However, we will oppose any such proposal that is inconsiderate of the needs of VA beneficiaries for adequate transportation and immediate accessibility, and that would not be situated at a location that would provide maximum availability of personal services to the veteran population residing in the jurisdiction of the Regional Office.

Mr. Chairman and Members, we thank the Subcommittee for receiving our views on these subjects.

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No. 2-020

NATIONAL VETERANS AFFAIRS AND
REHABILITATION COMMISSION
THE AMERICAN LEGION
VISITATION REPORT
OF
VETERANS ADMINISTRATION MEDICAL CENTER
ROSEBURG, OREGON
MAY 10-14, 1982

Date Received: June 8, 1982
Type of Medical Center: General Medical and Surgical
Nursing Home Care Unit

LEONCE J. WILSON
National Field Representative
The American Legion
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VETERANS ADMINISTRATION MEDICAL CENTER
ROSEBURG, OREGON

I. INTRODUCTION

During the period of May 10-14, 1982, a visitation of Veterans Administration Medical Center, Roseburg, Oregon, was conducted to evaluate the quality, quantity, and timeliness of health care provided to veterans.

Coordination: Prior to this planned visit letters were forwarded to Mr. T. Kaye Miyamato, Hospital Director, and Messrs. Ron Dreeszen, Department Adjutant, Glenn R. Hunsinger, Department Service Officer, and Hal Woods, Hospital VAVS Representative, The American Legion, Department of Oregon.

Statistical information pertaining to personnel strength, patients on the rolls, and operating costs is attached.

Professional Affiliation: This Medical Center is not affiliated with any medical school.

Hospital Accreditation: The Joint Commission on Accreditation of Hospitals (JCAH) surveyed this facility from July 30 to August 1, 1980. All areas of the Medical Center were accredited for two years. The next JCAH survey is scheduled for July of this year.

MISSION OF MEDICAL CENTER

The mission of this 417 bed primary and secondary medical center is to provide acute medical-surgical care, acute and long-term psychiatric care, and rehabilitation medicine. Extended care is provided through a 75 bed Nursing Home Care Unit. Care is provided to all eligible veterans. The primary service area includes Southern Oregon and Northern California. Over 89,800 veterans reside in this area.

The 417 beds are assigned to the following services:

Medicine	86
Intermediate Medicine	75
Surgery	22
Psychiatry	159
NHCU	75

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II. OBSERVATIONS

Adequacy of Funds and Personnel to Permit Satisfactory Performance of the Assigned Mission: The Director said that the funding for the remainder of Fiscal Year 1982 (FY 82) is now adequate since the release of funds by Veterans Administration Central Office (VACO) to cover most of the pay raises and benefits.

The FY 83 budget appears sufficient as it stands, but supplemental funding will be needed to cover the pay and benefit increases.

One of the major deficiencies at this facility is the lack of space. The Ambulatory Care/Outpatient area is cramped. Medical Administration Service (MAS) is scattered throughout the medical center. VAVS is located in a quonset hut. To reach medical records and prosthetics, you have to go outside and across a loading dock. Other areas deficient in space are: pharmacy, radiology, pathology, canteen, nuclear medicine, and supply processing and distribution (SPD). The construction of a two story outpatient addition will eliminate most of these space problems. The building is designed to provide additional floors, if needed, at a later date. The construction is slated to commence in FY 85, but its future is unknown due to the revalidation of all projects after FY 83 by the VA Administrator. Originally the construction of this building was due to begin in FY 75, but it has been pushed back yearly to the present date.

A project that was just approved is the construction of an elevator tower. Currently, only two elevators service the main hospital building. They are used for passengers and freight. The heavy use provides poor access and service to everyone. The tower will be connected to the main building and will be accessible to the new outpatient addition when it is constructed.

Another FY 85 project is the renovation of Building 2, to provide patient privacy and correct seismic, fire, and safety deficiencies.

In FY 88, the construction of a 120 bed NHCU is planned. The project would eliminate the 75 bed NHCU located on the third floor of Building 1. This NHCU needs to be replaced due to its extremely crowded conditions.

These three projects are listed according to the priority needs of the Medical Center. A representative visited recently from VACO and listed the priority of these projects according to their costs, least being first.

The original VA property consisted of over 400 acres. Through the years much of this land has been sold or given away until the current property consists of approximately 193 acres. Most of this land has gone to good use. Over 215 acres was returned to the city of Roseburg for parks. No problems arose until recently. It involved a 9.4 plot located at one of the two entrances into the medical center. In 1956, this land was given to the Forest Service for a research laboratory and tree growth experimentations.

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Local businessmen gained access to this property by trading it for a large tract of land located in the mountains outside of Roseburg. The land changed hands a number of times and was sold to a corporation that plans to erect a large variety store and supermarket. Local veterans groups are upset by this because they feel that if this land is to be used, it should be used for a veterans cemetery. The present veterans cemetery is closed to interments.

One concern of the medical center staff is the probability of increased traffic after the store is completed. Roseburg is separated by the Umpqua River. One of the few bridges connecting the two sections of town is at the other entrance of the medical center.

Any additional land losses will not be benefical to the VAMC. The remaining property should be retained for VA use.

A problem voiced by staff and patients is the lack of space for smoking. Smoking is not allowed on the units, except in designated areas. Some units and the outpatient area lack space for this, so patients have to smoke outside. Non-smokers complain because of the large number of butts and smokers outside the hospital where they are trying to visit with relatives. The staff gets caught in the middle trying to maintain the peace.

Computerization is being planned for this facility. The first areas identified for implementation are admissions and outpatient scheduling. Next would be the pharmacy. This will greatly enhance the ability to provide treatment for the veteran in a timely manner.

Professional Services: Thirteen of the 21 physicians are board certified. Vacancies exist in neurology, nuclear medicine, and pathology. The first two positions are expected to be filled by September.

The Chief of Pathology Service suffered a heart attack and is expected to retire. While he has been out, local assistance has been poor. Requests for aid from the two local hospitals were denied because they said they were too busy. A part-time contract has been established with a two-person team from Grants Pass to provide this service. After final approval, a full-time contract will commence. The physician flies his own plane to the Roseburg Airport, which is located about two miles from the medical center.

There have been some problems getting consultants to this facility because of the $75 fee. Some surgeons and orthopedists want the veterans to be admitted to the community hospital before they will treat them. This attempt at mainstreaming veterans to the private sector originated in Portland, but is being supported by the local medical society.

Computerized Axial Tomography (CAT) scans, dialysis treatments and radiation therapy are performed at VAMC Portland, Oregon. In an emergency a CAT scan can be done at the Douglas Community Hospital, the Mercy Medical Center, or on the mobile unit.

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The 813 (education) funds have been cut drastically. A $400 ceiling had to be placed on the use of the funds. Anything over this has to be paid out-of-pocket. The RMEC located in Salt Lake City has been helpful by providing instructors to the medical center.

Assistant Director: The Assistant Director stated that all the services under his realm are functioning well. In some areas, as staffing is reduced by cutbacks, volunteers have pitched in to help out. The upkeep of the golf course is being handled mainly by volunteers. Without their efforts, this area of recreation for all would fall by the wayside.

Space is inadequate in many areas. Quonset huts around the facility house VAVS, the patients' clothing room, vocational rehabilitation therapy, and parts of engineering service. The construction of the outpatient addition will eliminate most of these huts.

Fire protection is provided by the city of Roseburg. A small parcel of land was leased to the city for the construction of a fire station outside the main entrances of the medical center.

The laundry at this facility also provides service for the Domiciliary at White City, Oregon. No major problems were voiced.

REGIONALIZATION

This facility is located in Medical District 28 of the Western Region. The district consists of seven medical centers and an independent Domiciliary. The Director feels that the formulas used for the sharing of resources has been fair to this medical center. He also said the Medical District Initiated Planning Program (MEDIPP) should benefit all concerned.

ORIENTATION/PREPARATION OF INCOMING PERSONNEL

The first phase of orientation is provided by the Personnel Service and includes information regarding wages, benefits, etc. Phase II is done at the job site by the employee's supervisor. The third phase is a five hour orientation of the hospital. It is handled by the Chief of Personnel and includes a film strip, fire and safety information, and a talk by the Director.

ADMISSIONS, OUTPATIENT CLINIC AND AMBULATORY CARE

Space in this service is cramped and poorly designed. Waiting areas are limited. Many times relatives are unable to wait with the patient. The triage area is not ideally located. These problems, and those associated with them, will be eliminated with the construction of the outpatient addition.

The projected number of outpatient visits for FY 82 is 38,477. As of April 30, 1982, 21,078 visits had been recorded. Approximately 40% are

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service-connected (SC) veterans.

During the second quarter of FY 82, a processing time study was completed. 135 veterans were processed, but only 90 had enough data to be used in the analysis. Total processing time was just under two hours.

Availability of medical records has been fine locally, but there has been a problem getting them from Portland. Attempts are being made to rectify this problem.

Pathology and Radiology Services were said to be good.

MEDICAL ADMINISTRATION SERVICE

Due to the lack of adequate space, this service is dispersed throughout the medical center. In many areas the utilized space is cramped. Medical Records is located in an area that can only be reached by going outside and across a loading dock.

The primary service area of this facility includes Southern Oregon and Northern California and consists of nearly 90,000 veterans. It is the only VAMC along the west coast between Portland, Oregon, and San Francisco, California.

For the first half of FY 82 the hospital average daily census was 279.29. The bed occupancy rate was 81.7%. On May 10, 1982, the following patient breakdown of each bed service was:

	SC	NSC
Medicine	30	55
Respiratory Care	5	9
Surgery	6	10
Psychiatry	41	52
NHCU	24	52
ATU	5	23

The Chief of MAS said there have been some problems getting medical records from Portland when they are needed. Better coordination is being established to correct the situation.

To date, three VA employee-veterans have been charged for treatment received at the hospital. One has paid and two are pending appeal decisions.

BED SERVICES

Medical Service: The 161 medical beds are assigned as follows:

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General Medicine	62
Respiratory Care Unit	18
Intensive Care Unit	6
Intermediate Medicine	75

The only full-time position that is open is for a neurologist. The position should be filled by September. A 10 bed service will also be established at this time.

The Chief of Medicine said that some equipment for this service is ancient and obsolete. The two pieces mentioned were the echocardiograph and electrocardiograph (EKG) machines. In the exit interview the COS said that an adapter for the echo machine is being purchased to update it. New computerized EKG reading equipment has been approved by VACO and will be purchased.

The Chief of Medicine said that the CAT scanner at the Portland VAMC is obsolete. Diagnoses made with this scanner are difficult and sometimes they have been wrong. A good mobile unit is located in Roseburg, but funds are not available to use it on a regular basis.

Another area of concern is treatment of cardiovascular problems at Portland. The Chief said that a decision by VACO has caused the service to be understaffed and underequipped. Patients at this facility are now being transferred to Palo Alto instead of Portland.

Audiology services are very limited. Some screening is done here, but most work has to be done at Portland. The Domiciliary at White City also lacks this capability. Between the two facilities there are over 1,400 beds. The veterans occupying these beds, plus the outpatients, are being denied this treatment modality. The recruitment of an audiologist, who could split his time between the two facilities, should be explored by VACO.

Pathology and Radiology Services were described as superb. The only problem was the lack of qualified staff to do angiographies. This situation should be remedied with the hiring of a nuclear medicine physician this July.

Surgical Service is responsible for 22 beds. There are two full-time general and thoracic surgeons and a part-time urologist. The Chief of Surgery feels there should be one more full-time surgeon. He also feels that the operating room staff should be increased by two nurses. The staffing has not been increased since he started here nearly three years ago, but the average number of procedures has tripled. Approximately 90 operations are accomplished a month, with two thirds being major procedures. He feels more could be performed, but cannot be because of budget cuts.

Space is said to be tight. The entire surgical area is 4,200 square feet under VA criteria. There is no surgical space in the outpatient area, but this will be corrected when the outpatient addition is constructed.

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The Chief feels that orthopedic surgery could be performed here, but additional space and beds will be needed. Currently, patients have to be sent to Martinez, California. Portland is unable to handle their present orthopedic workload.

Psychiatry Service has 159 operating beds. Thiry-one beds comprise the Alcohol Treatment Unit and will be discussed later in the report.

Seven psychiatrists are assigned to this service. Five are on the units and two handle the Mental Hygiene Clinic (MHC). In FY 81, 3,992 patients were seen in the MHC.

One problem the Chief said he is facing is the increasing number of female veterans needing treatment. There is a problem accommodating them. A proposal was sent to management to increase the space necessary to treat these veterans. Plans to reconstruct an area of Building 2 are being formulated to provide two additional beds and better privacy. When the renovations are completed on this building to upgrade fire and seismic deficiencies, better quarters will be established.

The Chief said that due to the high turnover in occupational therapy, treatment has been sporadic. A new therapist is scheduled to start soon. The continuity of treatment should improve barring any more turnovers of employees.

Along with the regular modes of treatment, electroconvulsive therapy (ECT) is used. It is used sparingly for inhouse or referrals. Roughly 20 patients a year receive this treatment

Alcohol Treatment Unit (ATU): In 1965 a small unfunded program was established. In 1971, funding was received for a 40 bed unit. Since then, the beds have been reduced to the present 31 beds due to the reduction of staff. The current staff consists of:

Specialized Staff

Full-Time:	1 psychiatrist
	1 clinical psychologist
	2 social workers (one is the Director of the ATU)
	3 rehabilitation technicians
	1 registered nurse (have to borrow during off shifts)
	1 ward clerk
Part-time:	1 chaplain
	1 vocational rehabilitation technician
	ancillary staff

The Director of the ATU said that there is no core staff assigned to the program. He stated that to adequately treat the veterans and provide good follow-up, he needs a social worker for outpatient care, a rehab technician

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for inpatient and outpatient care, and a full-time vocational rehab technician instead of just part-time. Three of the current staff are recovering alcoholics.

Patients are encouraged to enter the program sober. If necessary, light detoxification is handled on the ATU. Otherwise, the patient is detoxed on the the medical unit.

The length of the program is from three to six weeks, depending on the needs of each patient. All medications, except antabuse, are discouraged. Antabuse is heavily encouraged, but is used on a voluntary basis.

The program has been revamped within the past few years. It used to be a tough program to get into, but fairly easy to stay in. Now it is easy to enter the program, but the criteria for remaining is stringent. Approximately 55% of the admissions are legal referrals.

A patient government is utilized, but not for the changing of policies. Rap sessions, alcoholics anonymous, narcotics anonymous, family workshops, and significant other groups are all used for therapy.

The main theme of the program is that the patient is responsible for his actions and controls his own destiny. This is also used when considering readmissions. If a patient calls before he starts drinking, or is making a substantial effort not to after having one or two, he is readmitted as soon as possible. If not, he is given a plan to follow. If he maintains this plan, he is considered for readmission. If someone is caught drinking while in the program, he is discharged with a plan to follow. No one is just turned away. All are given a plan of action. If their motivation to stop drinking is high, they will be readmitted.

A good outpatient program would eliminate many readmissions by providing outpatient groups when necessary. Due to staff reductions, the current outpatient program is very limited and not formalized.

The average veteran's age is 45, with extremes. The youngest was in his 20s and the oldest in his 70s. The waiting list usually is from three to six weeks.

Currently, five halfway houses are used throughout the state. Negotiations are in progress to utilize three more. One is in Portland and one is east of the Cascades. A third is a new one being established in Douglas County near Roseburg.

Intermediate Care Service is assigned 75 beds, but the Chief of Medicine said only 40 are really needed. The establishment of good community resources has tripled the turnover rate of patients.

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The average daily census (ADC) is dropping rapidly. As of April 30, 1982, the ADC for FY 82 was 52. For the month of April the ADC was 36.

Teams from the medical center have set up good lines of communications with the community and have aided them with the placements whenever necessary. One of the busiest areas of placements is in Grants Pass, Oregon.

NURSING HOME CARE UNIT

If it were not for the dedicated staff at this facility, the patients assigned to this 75 bed NHCU would definitely suffer. The nursing home is located on the third floor of Building 1. The space is grossly inadequate. Many beds are cramped together on reconverted porches. Mobility space is hindered by the fifty-five wheelchair patients and 10 geriatric chairs. Only three community toilets on each side of the unit are available for use by most patients. (Four private rooms have their own bathrooms.) There are only two shower rooms and one bath tub.

Despite those sub-par living conditions, the staff provides a high quality of life style to each veteran. To provide additional room for the patients, they had their nursing station removed. They felt that if you were going to spend time with the patients, the station would be unnecessary.

The 37 total staff includes 12 registered nurses(RNs). Three team moduals, headed by an RN, are responsible for 25 patients. Each patient has input into his own treatment plan.

Patients are socially oriented to their activities of daily living rather than medically oriented to their problems. The dependency on medications is greatly reduced or eliminated.

The lack of an audiologist and speech pathologist have been a burden. Patients have had to be sent back and forth to Portland for this treatment. This is totally inadequate.

On May 13, 1982, the number of patients in the following categories were present (Category I need the most care, Category IV need the least):

Category I	37
Category II	21
Category III	14
Category IV	0

Three of the patients were female. Two patients were away sick in the hospital and one was on aid and attendence. Their beds are held for 30 days before being relinquished to someone else.

The waiting list consisted of 27 veterans. Nine additional veterans were being screened for eligibility. The length of wait is up to two years.

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In FY 83, a renovation project is scheduled that will reduce the number of beds by eleven. This will ease some of the problems mentioned earlier, but will not eliminate them. The scheduled construction of a 120 bed NHCU in FY 88 will remove patients from the third floor to allow them more freedom of movement and eliminate the waiting list that is ever expanding.

MEDICAL SUPPORT SERVICES

Rehabilitation Medicine Service (RMS): Since the previous Chief retired, the COS has been in charge of the service. The vacated position will be filled by a neurologist.

The horticulture program is very popular. It allows the patient a chance to work outside and feel very productive. Their work does not go unnoticed, especially the large rose garden they maintain. It came in fourth among all rose gardens nationwide during the Bicentennial.

Occupational Therapy (OT) has been in constant turmoil due to the turnover. One OT assistant position is vacant. It is not being filled temporarily because a dietary staff member, who was injured, is filling in until medically cleared to go back to dietetics.

One occupational therapist will be leaving in June, but the position is scheduled to be filled quickly.

During the second quarter of FY 82, there were 11,845 patient visits to RMS. They were distributed as follows:

Physical Therapy	5,274
Horticulture	3,688
Occupational Therapy	2,883

Pharmacy Service is located in a cracker box. Only one door is available for an entrance/exit. This is a potential safety hazard for the staff. The only other means of escape in an emergency would have to be through a wall.

The location of the pharmacy is just off the main lobby. The traffic in this area is sometimes very heavy with visitors, relatives of patients from the outpatient area, and patients waiting for prescriptions.

When the new addition is built, the pharmacy will receive four times as much space. There will also be an area to provide outpatient consults. This is lacking now.

Five pharmacists, two technicians, a secretary and an 18-hour weekly work study student comprise this service. The Chief feels he could use two additional staff to provide better service.

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A partial unit dose distribution system and a full IV additive program are operational. The only area covered by the unit dose is the 75 bed NHCU. No funding has been received from VACO for this operation. To complete the unit dose distribution, eight additional staff and full funding from VACO are needed.

This service has tried to implement computerization three years in a row. They have received full local support, but it has been turned down by VACO. Attempts are made to maintain patient profiles, but it is very time consuming. A computer would minimize this.

Approximately 25,000 prescriptions are filled each month. Sixty-six percent are filled at the window with a turnaround time of 30 minutes. The mailout turnaround increased from one to two days after an injury to one of the pharmacy staff.

Nursing Service: The Chief of Nursing Service said she has a very dedicated and responsible staff. Of the 237 total personnel, 106 are RNs. She feels her staffing is adequate to meet the veterans current needs. If intermediate medicine has a sudden increase, she will need additional staffing.

Recruitment has not been a problem, but this may change in the future. One of the community hospitals has started using compressed time, increased benefits, and giving tuition reimbursements. If past history holds true, the other local hospital will be following suit.

Not too much overtime is necessary, but two areas where it is needed are in the operating room and for travel with a patient to Portland. Attempts are being made to have the Portland VAMC schedule patients earlier in the day. The round trip drive to Portland is about six hours.

Social Work Service has a vacancy for one social worker. Recruitment is in progress, but it has been difficult through Position Management priorities.

The Chief said they are going to start a new program to help get the alcoholic patient motivated. About 50% of admissions have an alcohol or related problem. Some have been through the ATU, but their motivation has been poor. The process will start as soon as a veteran is admitted to the hospital.

There are 15 community nursing homes with 46 placements. Due to the need for nursing home care, increased positions and funds were received from VACO.

The Residential Home Care Program consists of 30 certified homes and has 115 placements. Half of these homes are located in the Eugene, Oregon area. Two staff live in Eugene and cover these homes.

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ANCILLARY SERVICES

Dietetics Service has two full-time and three part-time vacancies. The two full-time positions are staff who were injured and on loan to other services performing light duty. One part-time staff is out due to surgery. Recruitment is ongoing to fill one part-time slot.

There have been many problems with the food distribution and deliveries from the Defense Logistic Agency (DLA). There have been times when only part shipments have been received. This usually consists of meats, and it is not found out until after the shipments arrive. The meat then has to be purchased locally at a higher rate. Other times, shipments arrive late causing the dietetic staff to work overtime to unload the trucks. Communications between DLA, VACO, and the medical center have helped, but for only short periods of time.

Equipment is described as good, but maintenance has been fair to poor. The equipment suppliers say they have maintenance contracts with local businesses. The problem is some of the small businesses have never seen some of these new large pieces of equipment they have to service.

The freezer space was said to be good, but the Chief of Dietetics said she was only allowed to keep a one week's supply of food on hand. This was the word given to her by VACO. Any savings that would be realized by the purchase of food in bulk are lost through this short term buying.

An average 340 rations are prepared daily. The raw ration cost for the second quarter of FY 82 was $3.13. Up to 50% of the diets are modified. Ten percent of the foods used are convenience foods.

The pellet system is used to transport meals to the patients who are unable to use the 120 seat dining room. This conveyance system has been in operation for over four years. Throughout the visit, the patients spoke highly of the quality of their meals.

Veterans Administration Voluntary Service (VAVS) is located in one of the quonset huts. This is not an ideal area, especially in the summer when the temperature reaches 90-100 degrees. Window air conditioners are insufficient to cool off the oppressive heat of these metal structures. This service will move into the vacated canteen space after the outpatient addition is built.

In FY 81, over 68,000 hours were logged by 502 regularly scheduled (RS) volunteers from 28 organizations.

The American Legion Representative is Mr. Hal Woods. His deputies are Mr. Paul Gilbertson, Mr. John Sweeny, Jr. (a new appointee), and Mr. Harry Papp (a WWI veteran). In the first half of FY 82 the 26 RS volunteers contributed 1,726 hours.

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The American Legion Auxiliary Representative is Mrs. Adeline Creason. Her deputies are Mrs. Maxine Adams, Mrs. Clara Scott, and Mrs. Wilma Gale. Their 52 RS volunteers contributed 2,016 hours for the first half of FY 82.

Volunteers are utilized throughout the hospital. One large area they have gradually taken over is the maintenance of the nine hole golf course. Without their services, the patients would probably lose this mode of treatment and recreation.

An escort service operated by the volunteers under nursing supervision provides over 220 escorts daily. Patient escorts are usually provided for Building 1 only.

A summer youth program has been quite successful. Last summer 23 volunteers from Fremont Junior High School contributed their services.

A high school credit program is also operational. Southerlin High School currently has five students enrolled.

During the survey over 100 students from six local high schools participated in a National Health Care Exploration Day. These students had some interest in the medical field and spent the day in areas of the hospital corresponding to their interests.

Recreation Service is located in the mental hygiene building. The service consists of only four recreational therapists. The Chief said he needed two additional therapists to adequately cover all areas. He feels that the patients are not receiving full benefit this service could provide. Recruitment is in progress to replace one therapist who will be retiring on July 10, 1982, after 30 years of service.

The Chief said his staff is very dedicated and works staggered shifts to cover all daily hours and weekends. Clerical assistance has to be borrowed from RMS or mental hygiene when it is needed.

The vocational rehabilitation section of this service is located in a quonset hut. During the survey it was uncomfortably warm inside. During the summer, it becomes a sweatbox. This problem will be eliminated when the new addition is built.

A 28 passenger bus used to transport patients on outings is usually out of service more than it is in. The General Services Administration (GSA) has promised a replacement vehicle numerous times, but it had not arrived as of the end of May.

A ten passenger van with a wheelchair lift is also available, but it only holds two wheelchair patients. The American Legion in Portland is assisting in locating a better one.

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Security Service patrols 17 buildings and 193 acres of land with six staff. The Chief said he could use one additional staff.

Coverage on days usually consists of one officer plus the Chief. On evenings there are two staff on three days a week, but only one the remainder of the time. The night shift has only one officer at all times. Although the crime rate is low, the lack of backup could create a dangerous situation.

The turnover has dropped recently due to economic pressures, but during an 18 month period about two years ago, eleven officers left for better wages. The Chief said he has been trying to get the wages for his men upgraded since 1979. The answer he receives from VACO is that the low crime rate does not warrant higher wages, yet other hospitals with lower local crime rate have officers with GS-5 ratings. His officers also have to meet the same requirements as other officers in the VA system.

The Chief feels the uniform allowance should be increased. The rate has been $125 for years, but the last officer that had to purchase a uniform spent nearly $265.

III. CONCLUSIONS

The staff at this medical center are highly motivated and dedicated to providing quality care to veterans. Due to the low staff to patient ratio, some areas need additional staff to provide better quantity of care. Some areas such as audiology and speech are lacking. The only way to provide better service is to have the core ratio increased to meet these needs.

Many areas are in dire need of additional space. Some services are scattered, others are cramped, some are a combination of both. The construction of an outpatient addition will eliminate most of these deficiencies.

The NHCU is very crowded. If it were not for the dedication of the nursing home staff, these veterans would be nothing more than warehoused. A renovation project will reduce the beds by eleven. This will alleviate some of the space problems, but will not meet the needs of the aging veterans. The waiting time to get into the unit today is approximately two years. Additional beds are needed, not less. The construction of a 120 bed NHCU scheduled for 1988 is a pressing need. Any delay in its construction will be a disservice to the aging veteran.

Building 2 needs renovation to correct fire, safety, and seismic deficiencies. This building currently houses psychiatry and intermediate care.

Over the years, the property at this facility has dwindled from over 400 acres to the current 193 acres. Most of the land has gone to provide parklands in Roseburg. As the city expands, land for commercial use is a prime concern.

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The VA property is choice real estate. One piece of land at the entrance to the medical center recently became the center of discussion when a regional store chain obtained it for the construction of a large shopping facility. Any future land sales of VA property could make this facility an island in the middle of commercial buildings.

The unit dose distribution system should be operational throughout the medical center. A partial system has been initiated at the local level, but assistance from VACO is needed to complete it. Some advantages are the decreases in medication errors and inventories and the increase of patient care due to the extra time nurses are able to spend with them.

IV. RECOMMENDATIONS

Background data and assessment on each of the following recommendations for this VA health care facility will be found in the observations and conclusions section of this visitation report.

1. The American Legion recommends the authorization for funding and construction of an Outpatient Care Addition as outlined in the Facility Five-Year Plan.

2. The American Legion recommends the authorization for funding and renovation of Building 2 to correct fire, safety and seismic deficiencies.

3. The American Legion recommends the funding for construction of a 120 bed NHCU as outlined in the Facility Five-Year Plan.

4. The American Legion recommends that VACO authorize this medical center to increase their personnel ceiling to provide a minimum staff to patient ratio of 2 to 1.

5. The American Legion recommends that no additional real property at this facility be relinquished by the Veteran Administration.

6. The American Legion recommends that additional funds and staff be provided to implement a full unit dose distribution program.

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VETERANS ADMINISTRATION MEDICAL CENTER VISIT STATISTICAL REPORT

LOCATION VA Medical Center Roseburg, OR DATE OF INFORMATION May 10, 1982

MEDICAL CENTER DIRECTOR T. KAYE MIYAMOTO

ASSISTANT MEDICAL CENTER DIRECTOR PAUL D. SCHEEL

CHIEF OF STAFF A. Gerson Hollander, M.D.

MEDICAL SCHOOL AFFILIATION None

	CURRENT FY 1982 (Thru April)	LAST FY 19 81
BED CAPACITY	342	342
OPERATING BEDS	342	342
AVERAGE DAILY		
INPATIENT CENSUS	274.13	282.29
OUTPATIENT VISIT (ACCUM.)	21,078	38,236
WAITING LIST:		
SERVICE-CONNECTED	NONE	NONE
NONSERVICE-CONNECTED	NONE	NONE

EXPLAIN THE REASON FOR THE WAITING LIST:

VA FORM 10-10 APPLICATIONS FOR MEDICAL CARE

RECEIVED LAST FISCAL YEAR 6,797

NUMBER OF APPLICATIONS ACCEPTED 5,795 } 12 months

NUMBER OF APPLICATIONS REJECTED 1,002 }

APPLICATIONS FOR MEDICAL CARE RECEIVED THIS FISCAL YEAR 3,853

NUMBER OF APPLICATIONS ACCEPTED 3,542 } FY 82 thru April 30, 1982

NUMBER OF APPLICATIONS REJECTED 311 }

-16-

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STAFF

TOTAL MEDICAL CENTER PERSONNEL (FTE) 610.9

CORE RATIO 1.45

STAFF PHYSICIANS (FTE) 23

CONSULTANTS ON THE ROLLS 36

ATTENDINGS ON THE ROLLS None

RESIDENTS None

MEDICAL STUDENTS None

PHYSICIAN EXTENDERS None

MAJOR PERSONNEL SHORTAGES

PHYSICIANS (FT BY SPECIALTY) None

REGISTERED NURSES 3 (2 instructors, 1 staff nurse)

LICENSED PRACTICAL NURSES 8

NURSING ASSISTANTS 8

OTHERS 8

SCHEDULED FOR ADMISSION (SERVICE-CONNECTED) 9

SCHEDULED FOR ADMISSION (NONSERVICE-CONNECTED) 63 (35 ATU) As of 5/4/82

SUMMARIES PENDING 17

TOTAL NUMBER OF REQUESTS FOR DISABILITY EVALUATION EXAMINATIONS (2507) ON HAND WHICH HAVE NOT BEEN COMPLETED AND RETURNED TO VA REGIONAL OFFICE 29 + 3 (pending Dr. Gray's signature) As of 5/4/82

OPERATING BEDS IN NURSING HOME CARE UNITS 75

FUNDS

AVERAGE COST PER PATIENT DAY 121.04

AVERAGE COST PER OUTPATIENT VISIT 28.20

AVERAGE COST PER NHCU DAY 76.86

AVERAGE COST PER PATIENT DAY IN COMMUNITY NURSING HOMES 43.58

MEDICAL CENTER BUDGET ALLOCATION (THIS FISCAL YEAR) $20,326,423

MEDICAL CENTER BUDGET ALLOCATION (LAST FISCAL YEAR) $18,293,704

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REPORT OF NATIONAL CEMETERY COMMITTEE

Four members of the National Cemetery Committee met at VA Central Office at 810 Vermont Avenue, N.W., on March 5, 1985, in conjunction with the Annual National Veterans Affairs and Rehabilitation Conference. Present were: Bob Legan (AR), Chairman; Roger Smith (OH), Vice Chairman; and members Roberto Gonzalez (PR); and George Skelly (TX). Also present were Grady Brown (AR) and Luis A. Andujar (PR). Staff liaison to the Committee were Tom Schneiders and Rod Kirk.

The Committee received an extensive briefing by the Department of Memorial Affairs. Present at this briefing were Paul T. Bannai, Chief Memorial Affairs Director; Deputy Chief Memorial Affairs Director Arthur S. Hamerschlag; and Dean W. Holt, Executive Director.

The presentation of these VA officials was most thorough and informative. Mr. Bannai and staff expressed gratitude for the valuable contributions The American Legion continues to provide concerning the National Cemetery System and the State Cemetery program. Mr. Bannai also pointed out the need for information by our Organization in informing all veterans and dependents of their rights and entitlements to burial benefits. American Legion personnel should become involved in several areas by providing assistance and support to the acquisition of additional acreage to expand certain national cemeteries. One example is Roseburg, Oregon, where VA is seeking to acquire 5 additional acres. Ironically, in the past, VA donated more than 500 acres of land to the city, and now is experiencing difficulty getting 5 of these

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acres back for use as a National Cemetery. Another example of this is the Knoxville, Tennessee national cemetery, where VA is contemplating making additional gravesites available by eliminating a road on the cemetery grounds which is no longer being utilized. Other areas discussed where additional acreage is needed were Bay Pines, Florida, and Port Hudson, Louisiana. VA officials also recognize the need for the establishment of new national cemeteries in certain areas, such as Seattle, Washington and Cleveland, Ohio.

Another topic discussed was the Fiscal Year 1986 funding for Department of Memorial Affairs. Mr. Bannai reported the Department is in pretty good shape but has been instructed to investigate the possibility of contracting out certain work loads, such as vehicle maintenance and to emphasize more automated data programs within field activities.

Other topics included a House Bill (H.R. 757) which has been introduced in the Congress, concerning expansion of the National Cemetery System; the need for more volunteers to participate in Honor Guard Ceremonies; and the noted increase in burial rates within the system.

The Committee likewise considered one resolution (Res. No. 311 (MN) of the 1984 National Convention) which the Committee recommended for approval with amendment. Action on this resolution has already been considered by the Commission.

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No. 5-045

NATIONAL VETERANS AFFAIRS AND
REHABILITATION COMMISSION
THE AMERICAN LEGION
VISITATION REPORT
OF
VETERANS ADMINISTRATION MEDICAL
AND
REGIONAL OFFICE CENTER
CHEYENNE, WYOMING
JUNE 17 - 21, 1985

Date Received: July 23, 1985
Type of Facility: General Medical and Surgical
Nursing Home Care Unit
Regional Office

LEONCE J. WILSON
National Field Representative
The American Legion
1608 K Street, N.W.
Washington, D.C. 20006

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The American Legion PSR: No. 5-045

VETERANS ADMINISTRATION MEDICAL
AND
REGIONAL OFFICE CENTER
CHEYENNE, WYOMING

I. INTRODUCTION

A regularly scheduled survey was conducted at the Veterans Administration Medical and Regional Office Center (VAM&ROC), Cheyenne, Wyoming during the week of June 17-21, 1985. The purpose of the survey was to assess the quality, quantity, and timeliness of health care being provided to veterans.

Coordination: Prior to this planned visit, correspondence was forwarded to Mr. Charles G. Beck, Jr., Medical Center Director, and the following representatives of The American Legion, Department of Wyoming: Mr. Gene Hirsch, Department Adjutant; Mr. James M. Nall, Jr., Department Service Officer; and Mr. Benny James, VAVS Representative.

Statistical Information: Data pertaining to bed capacity, personnel strength, patients on the rolls, and operating expenses is attached.

Professional Affiliation: This VAM&ROC is not affiliated with any medical school.

Hospital Accreditation: The Joint Commission on Accreditation of Hospitals (JCAH) surveyed this facility on October 14 and 15, 1982. A three year accreditation was received for the hospital, but with contingencies. A two year accreditation was received for long-term care. Another JCAH survey is expected this October.

MISSION OF MEDICAL CENTER

The Cheyenne VAM&ROC currently provides primary and secondary care in medicine, surgery, and psychiatry to veterans from Wyoming, Northern Colorado, and Northwestern Nebraska. The 126 beds are scheduled to increase to 176 by 1990. Psychiatry, including a 20 bed Alcohol Treatment Unit, and intermediate medicine will be provided through this bed increase. The 47 bed nursing home care unit (NHCU) is targeted to increase to 120 by 1988. This facility is also the clinic of jurisdiction for the state of Wyoming. Tertiary care is provided by VAMC Denver, Colorado. The beds are designated as follows:

Medicine	74
Surgery	32
Psychiatry	20
NHCU	47

II. OBSERVATIONS

Adequacy of Funds and Personnel to Permit Satisfactory Performance of the Assigned Mission: The Fiscal Year 1985 (FY 1985) budget is considered a no

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growth budget. The outpatient nonservice-connected (OPT-NSC) rolls are being trimmed to make sure that there will be enough money to complete the fiscal year. This trend is expected to continue into next fiscal year. The pharmacy costs have been reduced via this method because there were 50 fewer prescriptions per day in May and June.

The FY 1986 budget will not be an improvement. An expected loss of $314,000 (11.3 FTEE) due to the five percent pay reduction in conjunction with a $90,000 (3.3 FTEE) loss for the Grace Commission's one percent reduction in productivity will limit the VAMC's ability to carry out its mission.

It was reported that this facility was eligible for $1 million under the diagnosis related groupings (DRGs) reimbursement methodology but only $46 thousand was received this year because of the cap. Next fiscal year, the amount to be received is $52,600, but the FY 1986 target allowance indicates that winners under DRGs will not receive any additional funding.

The Chief of Medical Records monitors the assigning of DRGs. Most of the errors caught have been errors of omissions. No peer review organization has been established. This is a Medical District priority that has not surfaced yet.

Hospital staffing is not considerd adequate. A few areas reported in need of additional FTEE were nursing, social work, medical administration, pharmacy, and alcohol treatment. There are no freezes or delayed hirings currently, but it is anticipated that one or the other may have to be implemented next fiscal year. It is not known what impact this will have on the facility, but some programs may have to be reduced in scope or eliminated.

In FY 1984, there were 70 women inpatients. Women veterans also accounted for 234 outpatient visits. Privacy is not a major problem. There are rooms located on each unit with private or connecting bathrooms. A contract exists with the Warren AFB in Cheyenne for gynecological needs. There is also a GYN consultant located in town.

The computers for the outpatient pharmacy and Medical Administration Service are operating. The laboratory software package is not available yet. It should be in place before the end of the year.

The VA/DoD Contingency Plan contains four basic components for the Cheyenne VAM&ROC. They are: serve as an installation support center for the Warren AFB hospital in Cheyenne; serve as a secondary support center to VAMC Denver, Colorado; continue providing inpatient and outpatient care to service-connected (SC) veterans; and continue to operate the NHCU without charge. A maximum of 81 beds could be made available within 21 days following implementation of the contingency plan, with 28 being available within 24 hours.

A medical facility improvement project may soon become a reality. The project has been in the planning phase since 1972 and includes the expansion and renovation of Building for clinical functions. Many space deficiencies

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will be corrected through this project. Working drawings are being prepared. The ground breaking scheduled for September 1986 with a completion date in 1989. The size of the project has been scaled down to contain costs, but the work space has not been affected.

There is also a need for a NHCU. A 120-bed NHCU is included in the Medical District Initiated Program Planning (MEDIPP) proposal. This project would replace the 47-bed NHCU located on the second floor of the hospital. Design and construction for this project is programmed for FY 1986.

There are no plans to sell off any VA property. Over four years ago, approximately twenty-five acres in back of the medical center were deeded to the City of Cheyenne for a park and sports complex. That land could now be used for the construction of the clinical addition and NHCU. The current NHCU prototype does not fit properly on the available space and the historical society is opposed to its construction in front of the facility where most of the land is located.

Professional Services: The Chief of Staff (COS) was at a training program during the survey. The interview was held with the acting COS.

Six of the twelve physicians are board certified. One of them is certified in England. The only vacancy was for a Chief of Surgery. Recruitment has been in progress for nine months, but either the candidates interviewed have not been desirable or have decided not to change locations.

Pathology and Radiology Services are provided by local contracts. Good response was reported by the physicians using these services. CT scans are also performed locally. VAMC Denver is used when possible, but they usually have backlogs. By doing them locally, the amount of travel time a veteran has to spend on the road is reduced significantly and the results turnaround times are better. The DRGs penalize a small hospital without a CT scanner. A facility with a CT scanner is reimbursed each time the scanner is used, but a small facility must use dollars from its budget to purchase them.

The consultant costs for FY 1984 totalled $348,914. This included $53,596 for pathology and $62,334 for radiology readings. The consultant costs for the first three quarters of FY 1985 were $228,761.

Associate Director (ASD): Most of the services under the ASD were said to be functioning well. There has been some turmoil in the Medical Administration Service because of a recent increase in employee turnover. This is expected to subside once the vacancies are filled.

The Denver VAMC provides the laundry services for Cheyenne. There were no serious problems reported, but there have been some inventory control problems. The linen here has identifying iron on stenciling, but it is not always returned. Nursing Service reported occasional linen shortages or inconveniences due to lateness of delivery. There were also three instances when it was felt that the linen was dirty.

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Fire protection is provided by the city of Cheyenne. The firehouse is about two miles away and the response time is three minutes. There is no charge to the VA for these services.

There has not been much concern regarding OMB's Circular A-76 (contracting out) because of the size and location of the medical center. This is not one of the facilities designated to perform cost comparison studies. If they were being done, their funding would have to come out of patient care dollars.

Security Service is administratively under the Associate Director. This arrangement was reported to be working well.

There were no vacancies, but one officer is on sick leave recovering from surgery. The Chief said he could use three additional FTEE to cover all the shifts adequately. Only the Chief was on duty during the day of the interview because of the officer on sick leave. The evening shift is covered by only one officer three times a week and the night shift has only one officer at all times. The responsibility of the service is to cover 20 buildings on 50 acres of land. Three of the six officers are retirees.

The Chief said he gets very good support from the ambulatory care/ outpatient staff. He said they treat the patient like a human being and diffuse potential trouble situations. This makes it a lot easier on his staff to perform their normal duties.

Good support is also received from the City of Cheyenne. The potential for serious incidents is an every day concern because nearly everyone in the state carries a weapon in their vehicle. When notified of a problem, the city police have responded in a timely manner.

REGIONALIZATION

This VAMC is one of eight located in four states that makes up Medical District 23. This was Medical District 24, but was changed during the recent addition of a Medical Region and realignment of the districts. Efficient sharing of resources is difficult due to the distances between facilities.

ORIENTATION/PREPARATION OF INCOMING PERSONNEL

The usual VA three phase orientation program is used for new employees. The hospital orientation (Phase III) is performed quarterly by Personnel Service.

ADMISSIONS, OUTPATIENT CLINIC AND AMBULATORY CARE SERVICE

Space in this area is restricted. The waiting areas are too small, requiring veterans and their families to stand in the hallways or sit on the floor while waiting to be seen. The clinical addition project will rectify this deficiency.

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Staffing was reported to be inadequate. At least three additional FTEE are needed, including secretarial support which is totally lacking. Hospital Management said that another registered nurse will be assigned to this area, but without additional ceiling, little else could be done.

Up to eight veterans per day are being turned away due to budgetary constraints. This is very disconcerting to the staff and upsetting to some veterans. One 77 year old veteran felt he was being abandoned after having served his country because his medications could not be renewed. The biggest concern is that many of these veterans have been using the VA for years and have no contacts in the community. Some live great distances from the VA in communities that have little or no medical services available. Without their regularly scheduled appointments, some of these veterans' "stable" conditions will deteriorate to the point that they will have to become inpatients.

MEDICAL ADMINISTRATION SERVICE

The occupancy rates for FY 1984 and the first half of FY 1985 were:

	FY 84	FY 85
Medicine	82%	73%
Surgery	50%	63%
Medical Center	73%	71%
NHCU	94%	94%

Since their respective programs were initiated, there have been 348 Agent Orange, 18 Radiation Exposure, and 35 POW exams performed.

The beneficiary travel for FY 1983, FY 1984, and the first half of FY 1985, including the ambulance costs were:

	FY 83	FY 84	FY 85
SC	$110,250	$99,604	$45,368
NSC	$122,910	$128,005	$56,538
Total	$233,160	$227,609	$101,906
Air Ambulance	-	$50,208	$22,582
Ground Ambulance	-	$53,878	$24,273
Total	-	$104,086	$46,855

The employee turnover has increased during the last six months. This has been attributed to families leaving the area. There has not been a problem in filling most positions, but the sudden turnover has caused some delays. The Chief said he could use at least one additional FTEE for a DRG coding clerk. This position has been requested twice, but available ceiling does not exist.

When querried about the means test, the Chief said he would not be able to implement it without additional FTEE. He said the waiting and processing times would increase markedly.

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The antiquated phone system is up for replacement. The greatest need at this time is funding to make the necessary site preparations. Approximately $250,000 will be needed for this endeavor.

The Fee Basis program covers the entire state of Wyoming. One clerk runs the program. There is also a .2 position to take care of unauthorized claims. At least another half-time position is necessary to help process the bills received. Hospital Management said that some of the delays were brought about by the increased turnover and retraining of employees.

BED SERVICES

Medical Service: The number of beds was recently reduced by 20 to 74. The beds are now being used for a newly established psychiatric bed service.

The biggest concern voiced by the Chief of Medicine is the reduction in funding and FTEE. He feels that his staff has been very cost conscious in the past. Also, because of the size of the facility, there is no excess. There are no programs that could be reduced or eliminated that would not seriously impact on patient care.

Surgical Service has been having difficulty recruiting for a Chief. The position has been vacant for over nine months. A number of candidates have been interviewed, but did not select or were not selected for the position. The Acting Chief is scheduled to retire in January and is performing fewer surgical procedures than in the past. This entire situation has had a detrimental effect on the performance of the service. Under the DRGs, this was the only service to lose money.

The number of surgical procedures for FY 1983 and FY 1984 were 492 and 427, respectively. During the first seven months of FY 1985, 256 procedures were performed.

The Acting Chief said it has been difficult getting patients into VAMC Denver for special and tertiary procedures. He also said that it is difficult to obtain information from Denver after a patient is discharged.

Psychiatry Service was established about a month ago. The Chief was at a training program during the survey. The interview was held with the Acting Chief who is an internist.

The 20 beds for the service were carved from the Medical Service. The programs are too new at this point to make any assessments. Many changes are expected in the days to come. The service itself is in a precarious position because the Chief is the only psychiatrist on staff. A consultant from the community is used as needed.

Nursing coverage was reported to be adequate, but none are trained in dealing with psychiatric patients. There are plans to improve this deficiency through training.

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Alcohol and Drug Dependency Unit (ADDU): The Coordinator was in Atlanta for meetings during the survey. The only other counselor was on personal sick leave. The interview was conducted with a temporary counselor who was operating the unit by himself.

The ADDU has been masquerading as a substance abuse program. It was established in 1975, but has never been provided any assistance from VACO. The assigned staff includes two counselors and one secretary. This severely curtails anything other than inpatient treatment.

The program is currently going through a transition period that has had an affect on the morale of the staff. Prior to the establishment of a Psychiatry Service, this program was a part of the Medical Service and consisted of 14 beds. It is now under Psychiatry Service and consists of 10 beds. The Medical Center Director said there are plans to increase the number of beds to 20 in 1989, but it depends on the construction of the NHCU. The present NHCU site would be used to expand Psychiatry Service. It also depends on the resources that become available for this expansion.

The main crux of this 30 day program is Alcoholics Anonymous (AA). Meetings are held two times a week at the hospital. One AA Chapter is located in the hospital. A number of AA meetings are also held in the community. A waiting list of twelve veterans existed during the survey.

Halfway House (HWH): This HWH has been in operation for thirteen years, but no brochures describing their program or patient handbooks were available. Seven of the thirteen employees are nondrinking alcoholics. There was one vacancy for a counselor.

The HWH consists of eleven beds. It is not wheelchair accessible. Since the start of the fiscal year, twenty veterans have been referred. At the time of the survey two veterans (one from the Cheyenne program and one from Sheridan) were residents. The daily cost to the VA is $24.99.

AA and NA are major components of the program. Meetings are held at the HWH and in the community. Antabuse is used when deemed necessary. The program objective is to provide the tools necessary to allow for clients to live a sober and/or a chemical free existence. This facility is inspected yearly by the State and the Veterans Administration.

NURSING HOME CARE UNIT

The 47-bed NHCU is located on the second floor of the hospital. There are plans to construct a 120-bed NHCU in FY 1986. The current NHCU lacks proper space and is poorly laid out. The doors to the patients rooms are too narrow to get beds through. In an emergency, patients would have to be placed on blankets and dragged from their rooms. Extra personnel would be needed to accomplish this.

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While the new NHCU will correct many deficiencies, the 120 beds seem to be a little unrealistic for this area. Originally, plans called for lesser beds. The increase seems to stem from the fact that the 60-bed NHCU at VAMC Denver was constructed without the ability to expand. A number of requests were submitted to have the foundation constructed to handle a second 60 beds, but this was not accomplished.

At least three additional FTEE are needed. Since the 70%-30% ratio was dropped, the percentage of patients needing more intervention has increased to 80%. This has placed an additional burden on the staff. Forty-one of the 47 patients were in the higher care categories during the visit. Thirty-seven needed the use of wheelchairs and one was bed ridden.

There were four veterans on the waiting list and six others in the process of being screened for admission. The length of wait is approximately two months. The oldest veteran was 97 and the youngest 31. There were two women veterans. The one conversed with stated that the care being provided to her was very good. She was 86 years old and had been a patient for over three years.

MEDICAL SUPPORTIVE SERVICES

Rehabilitation Medicine Services (RMS) provides physical and recreational therapies. Occupational therapy had been provided two years ago, but the one position was converted to recreational therapy. It was felt that more patients could be served in this manner. There is still a need for occupational therapy, but no additional FTEE is available.

The space for physical therapy is still deficient. It is cramped and poorly laid out. This will be corrected when the new clinical addition is constructed.

Recreation is covered by only one therapist, which limits the amount of activity that can be provided. When the therapist is not available, volunteers have to cover the activities without supervision. The NHCU is covered full time, while other areas of the hospital are only covered on a consulcation basis.

The therapist is the only person qualified to drive station vehicles for off station activities. The vehicle usually necessary for these trips is the handicapped van, but this is used for daily trips to VAMC Denver and is not always available. The availablity of other station vehicles has also been limited because 1 or 2 vehicles have been returned to GSA as an austerity measure.

Pharmacy Service still does not have a unit dose drug distribution system. An increase of 4.5 FTEE during the past year has doubled the number of staff for this service. With this increase, a separate inpatient pharmacy was opened. The Chief said they are also attempting to start unit dose in the NHCU. An additional 5 FTEE are needed to complete the entire facility.

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As in most smaller facilities, the delivery of medications is a problem. The depot only delivers every other month, therefore, large inventories must be maintained. The Defense Logistic Agency (DLA) is also used, but has not been working well. They do not send part shipments. If ten of an item are ordered and DLA has only nine, they will send nothing.

During the first half of the fiscal year, 46,947 outpatient prescriptions were filled. The outpatient window accounted for 17,011 prescriptions while 29,936 were mailed. The window turnaround time averages 28 minutes and the mailouts are completed within 24 hours.

The pharmacy costs have been $30-40 thousand over budget each quarter. The reduction in NSC-OPT veterans has also reduced the cost of outpatient prescriptions. In May and June, 50 fewer prescriptions per day were filled. It is too early to tell if any of the veterans trimmed from the rolls have had to come back as inpatients or have had their prescriptions renewed.

Nursing Service had no vacancies. Recruitment in this area has not been a major difficulty because the medical center wages and benefits are equal or better than the community's.

The majority of employees in this service were reported to be very dedicated. There have been a couple of suspected traumatic injury abuse cases. Steps are being taken to monitor this situation before it spreads to other employees. This type of activity affects the staff morale and has a tendency to create more serious problems.

The numbers of staffing is considered sufficient except in the outpatient area and the NHCU. Some relief is expected in the outpatient area, but the NHCU needs three additional people to care for the increasing number of older veterans with multisystem breakdowns.

Social Work Service consists of three social workers (including the Chief) and a secretary. The Chief said he could use one additional social worker for the outpatient area. Currently, the Chief covers the outpatient area by referrals only. He is also responsible for the visits and inspections to the community nursing homes. Another area that needs better coverage is the ADDU. Only one quarter of a social worker's time is presently available.

Community nursing homes are limited and scattered throughout a wide area. Of the seven homes, two are in Cheyenne, one in Casper, one in Rawlins, one in Douglas, one in Laramie, and one in Scottsbluff, Nebraska. A census of 21 existed at the time of the visit. There were four inpatients waiting for a community vacancy to become available.

There is no residential home program. There have been two attempts in past years to start a program, but none of the home applicants could pass the VA requirements. Now that a psychiatric bed service has been established, another attempt may be made to develop such a program. The Chief said they could easily maintain a daily census of between 10-12 veterans.

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The State of Wyoming has very limited resources. When an OPT-NSC veteran is referred to this service, the decision is not where to send them, but to evaluate their ability to pay for care themselves. The difficulty then is to determine where they can get their care because many live in isolated areas that have limited or no medical care facilities.

ANCILLARY SERVICES

Chaplain Service: This is one of the few VAMCs surveyed that does not have a chapel. The Chief said there had been a small chapel about 7 or 8 years ago, but it was eliminated for pharmacy expansion. Although office space is to be expanded with the clinical addition, there is no mention of providing a chapel for the veterans and their families. This deficiency needs to be corrected. Currently, Sunday services are held in the auditorium which is only accessible by wheelchairs via a lift. This chapel/pool hall atmosphere is not conducive for satisfying the spiritual needs of veterans and their families. If a patient is having surgery or on the seriously ill list, there is no sanctuary for family members to retreat to for solitude or bereavement. The Chief said a chapel that could seat 20-25 people plus some wheelchairs would be adequate at this time.

The Chief is only half time while the Catholic priest is quarter time. Chaplains of both denominations are on call for back-up. The only staffing need expressed was for additional back-up for the Chief. A replacement will also be needed soon because the Chief plans to retire at the end of the year.

Dietetic Service: A number of improvements have been made since the last American Legion visit. A new tray line and a dishwashing machine have been installed. A replacement food conveyance system (Pellet) is also in place. It was reported to be working well. One piece of equipment that needs to be replaced is the pot and pan machine. Replacement parts are difficult to obtain and may have to be manufactured locally when the machine breaks down. The Medical Center Director said that most of the pots and pans can be cleaned in the dishwashing machine. The remainder can be cleaned by hand.

An average of 135 rations were prepared daily during the first six months of the fiscal year at a raw ration cost of $3.11. Forty-six percent of the diets are modified and 30% of the foods used are convenience items.

Veterans Administration Voluntary Service (VAVS): There are 42 organizations on the VAVS Advisory Committee (twelve are on the committee, but have no active volunteers). During the first half of the fiscal year, the 417 regularly scheduled (RS) volunteers contributed 25,312 hours of time.

The American Legion Representative is Mr. Benny James. His deputies are Mr. James M. Nall, Jr., and Mr. Gene Hirsch. Mr. Harold Kelsey is an associate from Colorado. The 12 American Legion RS volunteers contributed 1,202 hours during the first six months of the fiscal year. During the same period, the 28 American Legion Auxiliary RS volunteers provided 2,432 hours. Their representative is Mrs. Minnie Pretty. Her deputies are Mrs. Alice Norfleet and Mrs.

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Novella Hayes. Mrs. Theresia Stolp is an associate from Nebraska. Both organizations sponsor, either combined or separately, a number of activities including a Christmas Gift Shop, the Poppy Program, monthly bingos, and ice cream socials.

An active escort service controlled strictly by VAVS, operates weekdays from 8a.m. to 4:30 p.m. Thirty-five volunteers participate in this program.

The youth program has been reduced in scope. In previous years, there were 25-30 youths each summer, but this produced various problems because there was not enough staff to monitor their activities adequately. This summer, there are 15 youth volunteers. During the school year, between 4 and 7 youths participate in the program.

The increase in travel costs does not seem to have had an adverse effect on volunteers' participation. Driving is a way of life in this area of the country because there is no mass transit system. The American Legion Auxiliary Associate from Nebraska drove over 11,000 miles last year doing volunteer work. She lives 102 miles away and participates regularly at the VAMC.

III. CONCLUSIONS

The ability of this VAMC to continue its mission is being hindered by inadequate budgets. The no growth budget this fiscal year has become much more. During the third quarter, the trimming of OPT-NSC veterans from the rolls was begun as a cost saving method to maintain an adequate reserve of dollars to complete the fiscal year. This has been met with great concern by some staff and veterans. The Director said they are not going to cut anyone off that needs VA care. He said they are trying to educate everyone to the fact that the VA is going to be a limited medical resource. This, too, will be difficult, because the state also has limited medical resources. Many veterans live great distances from these resources. Some have been using the VA for years and have no community contacts. One 77 year old veteran felt he was being abandoned after having served his country faithfully.

Next year's budget is not expected to improve the situation. There is an anticipated lost of 3.3 FTEE and over $90,000 even though they were winners under DRGs. There is no delayed hiring or freeze policy in effect now, but next year one may have to be instituted. There is a current shortage of ceiling in various services throughout the medical center. The loss anticipated for next fiscal year can do nothing but hinder normal operations. As one employee stated, the disadvantage of being a small facility is that you do not have much stretch with staff. Any loss is a major loss. This is not to say that veterans are receiving poor care. Generally, the quality of staff providing the care is very good, but their ability to give that little extra is being compromised by lack of numbers.

Numerous space deficiencies have existed for years. A medical facility improvement project has been identified that will eliminate most of these deficiencies. It has been delayed for a number of years, but now appears to be

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a reality. Working drawings are being prepared. The construction of the three story structure is expected to start next year and completed in 1989.

A NHCU is another dire necessity. The current NHCU is on the second floor and has many space, fire, and safety deficiencies. Design and construction is scheduled for 1987, but a decision needs to be made regarding the number of beds. There is talk of 120 beds, but this seems a little unrealistic in this part of the country. Sixty beds would seem more reasonable, but it is speculated that the 120 beds was a result of the Denver NHCU being constructed without the ability to add a second floor of 60 beds.

A chapel should be a part of this facility's needs assessment plan. A small chapel was lost about 7-8 years ago to provide additional space for the pharmacy. Currently, there is no place for a patient or relative to go if they need some solitude or bereavement area. Sunday services are now held in the auditorium. The pool hall-like atmosphere is not a proper way to provide spiritual needs.

Unit dose continues to be a sought after program. It has proven to be a beneficial operation. It provides for better inventory control and less mistakes are realized through its use. Current aspirations are to support this function in the NHCU. Five additional FTEE were reported needed to complete a full operation.

There are plans to replace the antiquated telecommunication system. Before it can be installed, funding is needed for the site preparation. The equipment room will be located in the Regional Office. Approximately $250,000 is needed for this project.

There has been a delay in the recruitment of a Chief of Surgery. The candidates interviewed either have not been qualified or have decided not to relocate. This vacancy has had impact on the overall functioning of this service. The acting Chief is planning to retire next January and currently performs less surgery than in the past. The service was the only one to lose money this year under the present resource reallocation model. This deficiency should be taken into consideration when considering future budgets so that this service is not under funded.

The alcohol and drug dependency unit is in the midst of a transition. It was currently realigned from the Medical Service to the newly established Psychiatry Service and reduced from 14 to 10 beds. This has been met with mixed reactions from the staff. The program has never been funded centrally. While it has served a purpose, it has floundered on occasion. Service are limited due to the lack of staffing and resources. There are plans to increase the number of beds to 20, but this hinges on construction of the NHCU. Adequate staffing and funding are needed now to make this a viable treatment program.

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IV. RECOMMENDATIONS

Background data and assessment on the following recommendations for this VA health care facility will be found in the Observation and Conclusion sections of this visitation report. The American Legion presents the following recommendations to VA Central Office for the purpose and addressing and correcting problems observed during the course of this survey.

1. Provide adequate staffing levels so that this facility can adequately meet its mission.

2. Provide the necessary funding and staff for the implementation of the full unit dose drug distribution system.

3. Keep the medical facility improvement project (expansion and renovation of Building 1) on the present construction schedule and as designed.

4. Provide the necessary funding to construct a 60-bed nursing home care unit. The foundation should be designed to accept an additional floor of 60 beds.

5. Provide the necessary funding to prepare the site for the new telecommunication system.

The Director concurs with these recommendations.

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The American Legion FSR: No. 5-045

THE AMERICAN LEGION
VETERANS ADMINISTRATION MEDICAL CENTER VISITATION STATISTICAL REPORT

LOCATION Cheyenne, Wyoming DATE OF INFORMATION 6/14/85

MEDICAL CENTER DIRECTOR Charles G. Beck, Jr.

ASSOCIATE MEDICAL CENTER DIRECTOR

ASSISTANT MEDICAL CENTER DIRECTOR Jonathon D. Ashmore

CHIEF OF STAFF Frank R. Lemon, M.D.

MEDICAL SCHOOL AFFILIATION None

	(3/31/85)	CURRENT FY 19 85	LAST FY 19 84
HOSPITAL BED CAPACITY		126	126
HOSPITAL OPERATING BEDS		126	126
AVERAGE DAILY CENSUS		89	94
TOTAL OUTPATIENT VISITS		12,037	20,862
NHCU BEDS		47	47
SCHEDULED FOR ADMISSION:			
SERVICE-CONNECTED		9	NA
NONSERVICE-CONNECTED		7	NA
WAITING LIST (ALL BED AREAS):			
SERVICE-CONNECTED		3	NA
NONSERVICE-CONNECTED		5	NA

EXPLAIN THE REASON FOR THE WAITING LIST: Waiting lists are for NHCU & ADDU (5 - NHCU and 3 - ADDU.)

VA FORM 10-10 APPLICATIONS FOR MEDICAL CARE:

RECEIVED LAST FISCAL YEAR 4,367

NUMBER OF APPLICATIONS ACCEPTED 4,252

NUMBER OF APPLICATIONS REJECTED 93

RECEIVED THIS FISCAL YEAR 2,349

NUMBER OF APPLICATIONS ACCEPTED 2,294

NUMBER OF APPLICATIONS REJECTED 58

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TOTAL NUMBER OF REQUESTS FOR DISABILITY EVALUATION EXAMINATIONS (2507) ON HAND WHICH HAVE NOT BEEN COMPLETED AND RETURNED TO VA REGIONAL OFFICE: _____

OVER: 30 DAYS 5 60 DAYS 4 90 DAYS 0 180 DAYS 0

HOSPITAL SUMMARIES PENDING:
DICTATED 24 AWAITING SIGNATURES 34
UNTRANSCRIBED 21 TOTAL OVER: 10 DAYS 0 30 DAYS 0

STAFF

TOTAL VAMC PERSONNEL (FTEE) 302.4 CORE RATIO _____

STAFF PHYSICIANS (FTE) 9.4 PHYSICIAN EXTENDERS 1.0

CONSULTANTS 39.0 ATTENDINGS 0

RESIDENTS 0 MEDICAL STUDENTS 0

MAJOR PERSONNEL VACANCIES

PHYSICIANS (BY SPECIALTY) 1 Chief, Surgical Service (General Surgery)

REGISTERED NURSES 0

LICENSED PRACTICAL/VOCATIONAL NURSES 0

NURSING ASSISTANTS 0

OTHERS 1 Staff Pharmacist & 1 Chief Radiologic Technologist

FUNDS

AVERAGE COST PER PATIENT DAY $239.48

AVERAGE COST PER OUTPATIENT VISIT $33.41

AVERAGE COST PER NRCU DAY $119.05

AVERAGE COST PER PATIENT DAY IN COMMUNITY NURSING HOMES $51.01

MEDICAL CENTER BUDGET ALLOCATION:
THIS FISCAL YEAR: RECURRING $10,748,870
NONRECURRING 1,802,553
LAST FISCAL YEAR: RECURRING 9,963,632
NONRECURRING 1,828,706

(Revised October 1, 1983)

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No. 5-065

NATIONAL VETERANS AFFAIRS AND
REHABILITATION COMMISSION
THE AMERICAN LEGION
VISITATION REPORT
OF
VETERANS ADMINISTRATION MEDICAL CENTER
CASTLE POINT, NEW YORK
SEPTEMBER 16-20, 1985

Date Received: October 1, 1985
Type of Facility: General Medical and Surgical
Spinal Cord Injury Unit
Nursing Home Care Unit

LEONCE J. WILSON
National Field Representative
The American Legion
1608 K Street, N.W.
Washington, D.C. 20006

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VETERANS ADMINISTRATION MEDICAL CENTER
CASTLE POINT, NEW YORK

I. INTRODUCTION

A regularly scheduled visitation was conducted at the Veterans Administration Medical Center (VAMC), Castle Point, New York, during the week of September 16-20, 1985. The purpose of this visit was to assess the quality, quantity, and timelines of health care being provided to veterans.

Coordination: Prior to the planned visit, correspondence was forwarded to Mr. Richard S. Droske, Medical Center Director, and the following officials of The American Legion: Mr. Richard M. Pedro, Department Adjutant; Mr. John S. Peterson and Mr. Daniel F. O'Sullivan, Acting Department Service Officers; and Mr. Arnold Frazier, VAVS Representative.

Statistical Information: Data pertaining to bed capacity, personnel strength, patients on the rolls, and operating costs is attached.

Professional Affiliation: No formal affiliation currently exists. There has been dialogue generated regarding an affiliation with New York Medical College that would include Castle Point, VAMC Montrose, and Keller Army Hospital at West Point. A resident training program does exist with the New Rochelle Medical Center in surgery. An independent dental residency program was approved in FY 1984.

Hospital Accreditation: The Joint Commission on Accreditation of Hospitals (JCAH) surveyed this facility on June 5-6, 1985. The preliminary report indicates a three year accreditation will be awarded with some contingencies.

MISSION OF MEDICAL CENTER

VAMC Castle Point is currently a 256-bed facility providing primary and secondary care in medicine, rehabilitative medicine, spinal cord injury, and surgery. A Hospital Based Home Care program is provided in conjunction with the Spinal Cord Injury Unit. The facility also provides nursing home care through a 148-bed NHCU adjacent to the medical center. In order to enhance its current capabilities, a Geriatric Evaluation Unit will become operational in early FY 1985. In addition, the HBHC program and implementation of Respite and Hospice programs are being evaluated.

The current and proposed bed distribution is as follows:

	Current	MEDIPP Proposed
Acute Medicine	56	56
Intermediate Medicine	36	36
Rehabilitation Medicine	20	20
Surgery	84	60
Spinal Cord Injury	60	60
	256	232

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II. OBSERVATIONS

Background: VAMC Castle Point is located approximately 65 miles north of New York City. When the medical center was constructed in 1924, the 450-bed facility was primarily for treating veterans with tuberculosis. Through the years, the mission of the hospital has evolved to its current general medical and surgical status serving the lower Hudson Valley. In 1967, a 96-bed NHCU was opened. Fifty-two additional beds were opened in 1978.

Adequacy of Funds and Personnel to Permit Satisfactory Performance of the Assigned Mission: There will be no growth with the Fiscal Year 1986 (FY 1986) budget. The medical center was a winner under the resource allocation model (RAM), but will receive no additional funds. A loss of 7 FTEE and $191,320 is expected as a result of the 1% productivity reduction imposed by the Office of Management and Budget (OMB). Prior to the 7 FTEE reduction, the staffing was considered to be barely adequate. The loss will have a negative impact on their ability to handle the increasing workload and any future growth. The outpatient visits in FY 1982 were 22,774. This year, 36,000 visits are anticipated.

Usable space is at capacity. Any expansion and realignment of activities must come from new construction. The Building Addition Project was scheduled to be underway, but came in 1.2 million dollars over budget. It now may have to go through some design changes before going out for bids again. The scope of the building is not expected to change significantly. If the construction is delayed much longer, the cost of the building may end up higher than originally due to inflation. Scheduled ground breaking is projected to be next spring.

Another major project is the construction and renovation of the Spinal Cord Injury Unit. The present location was constructed in 1924 and has many deficiencies. This project is scheduled for design and construction in FY 1988.

The computer room fell victim to the limited hospital space. Instead of being installed in the hospital, the computers were placed in the Administration Building which is not attached and is distant from the main complex. At the time of their installation, there were no anticipated problems. When the lines were installed underground, they were not grounded properly. Whenever there is a thunderstorm, nearby strikes of lightning cause havoc with the system. Just prior to the survey, some of the circuit boards had been burnt out by lightning. The site manager said they are in the process of correcting the deficiency, but it has been difficult due to the distance between buildings.

Another deficiency is the water sprinklers in the computer room. If these sprinklers go off, thousands of dollars worth of equipment could be destroyed. Although more costly to install, Halon gas should be the fire retardant of choice. It will smother a fire without damaging any of the sensitive equipment.

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Pharmacy and medical administration are fully operational. The computerization of the laboratory and ward areas are in the process of coming on line. The site manager has had a part-time assistant helping complete this endeavor.

The telephone system is new and has been functioning well. The FTS lines were described as mediocre and the Hot Line was said to be terrible. It only works sporadically and usually goes down during conference calls. VA Central Office is attempting to correct this nationwide problem.

Privacy for women veterans is improving. Twelve rooms were recently renovated to provide better bathroom facilities. No complaints have been received regarding their care.

Gynecological needs are covered by consultants. A clinic is held once a month. Sharing also exists with Keller Army Hospital at West Point for surgical procedures and short term admissions.

Castle Point is designated as a Federal Coordinating Hospital. A close working relationship exists with West Point and nine local community hospitals to implement a viable Contingency Plan. In the event of an armed conflict, casulaties will be flown into Stewart Airport, where they will be triaged by teams from the VA, military, and participating community hospitals. Patients will then be transported to appropriate facilities depending on injury severity.

During a recent Inspector General (IG) inspection, a recommendation was being prepared to excess 50 acres of land. Hospital Management disagreed with this because their backup water supply (wells) are located on the land and currently in use. The main water supply is usually obtained from the Hudson River, but the system was very old and unreliable. A new water treatment plant is being constructed. It will use reverse osmosis to eliminate any salt in the water. This has been occurring quite frequently because of the drought conditions in the area. The tides raise and lower the river and salt has been creeping farther north than usual. The new plant should be open soon. The current holdup is the barnacles and other crustaceans that have formed on the intake pipe. Once eliminated, testing can begin. The land in question should continue to be maintained for the emergency water supply. One piece of property excessed in the past is now being used as a landfill by the surrounding communities.

Professional Service: The current physician complement is 25 full-time and 8 part-time. Two thirds are board certified and five have faculty appointments. Vacancies existed for a full-time cardiologist and a part-time gastroenterologist. The Chief of Staff said there are a lot of physicians available to fill vacancies, but it is difficult to recruit competent people. One negative aspect of recruiting is MOD duty. The shift runs from 4:30 p.m. until 8:00 a.m. the next day. In a small facility, this comes up more fre-

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quently than in a large one. The COS said they are attempting to change this to fee basis and have an on call list of assigned physicians.

The consultant staff is comprised of 75 physicians. They are paid at the rate of $100 for board certified and $60 for noncertification. Their budget for FY 1985 was $84,000. The COS did not expect to go over this limit.

Acquired immune deficiency syndrome (AIDS) is becoming an increasing problem nationwide. Only one case has been diagnosed at this facility and was transferred to VAMC Manhattan where ten percent of their acute beds are for AIDS patients. The infection control team keeps in contact with VAMC Manhattan to keep abreast of any changes that may develop regarding this disease. They in turn provide education for other employees. There still appears to be an air of uncertainty regarding the handling of patients with AIDS. The Associate Director stated he had heard that a group of volunteers did not want to continue volunteering because of their fear of exposure to AIDS.

Elective CT scans are provided by VAMC Bronx. Emergencies are performed in the community. The travel to the Bronx is undesirable. The age of the patients makes it difficult. When the weather is good, it is an all day trip. There were reported long waits. Some patients have even been returned without receiving a scan because of the backlog or malfunction of the scanner. There has been a lot of downtime in the past. Discussions have been generated to establish a sharing agreement with VAMC Montrose and Keller Army Hospital through the use of a mobile CT scanner. West Point is the key in this pact because 80% of the workload would be theirs.

A serious concern voiced by the COS is the inability to recruit and retain quality nursing personnel for the spinal cord injury unit. There is a high rate of turnover due to staff burnout. Five vacancies existed during the survey.

Audiology and speech pathology coverage is provided by consultants. The COS said there was not enough of a workload to warrant a separate program.

Associate Director: All the services administratively under the Associate Director were reported to be functioning well. No major vacancies were reported.

Fire protection is provided by the station fire department. The local fire departments are volunteer operations, the closest being about a mile away. The nearest paid fire department is in Beacon, New York.

The laundry services are provided by VAMC Montrose, New York. There have been no major complaints regarding this arrangement. The biggest problem that was reported dealt with the looks of the linen. Since the VA decided to use a cold water wash as a cost savings method, the linen has had a dirty look. There were no reported incidents of increased infection problems due to this change.

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Asbestos was reported not to be a problem. Much of it was eliminated or encapsulated during a major air conditioning project a few years ago. A regional industrial hygienist is available for consultation purposes.

Security Section is administratively under the Medical Center Director. This arrangement has been in place for four years and was reported to be working well.

The station consists of 48 buildings on 109 acres of land. Seven officers, including the Chief, try to cover the complex. The Chief said he needed at least four additional people to cover adequately, but management said this is unlikely due to recent FTEE reductions. Coverage on evenings and nights is usually only one officer.

Recruitment and retention of quality officers is nearly impossible due to the low wages and poor career ladder in security. One vacancy had just been filled and another existed at the time of the survey. OPM registers were rated as poor. The last three officers hired came from the VRA. One officer is a retiree and two have part-time jobs to supplement their income.

There have been no serious problems in the past couple of years, but the potential is always there. There are two state correctional facilities within walking distance of the medical center. There is also some suspected alcohol and drug abuse on the spinal cord injury unit. Management is aware of this and monitoring it closely.

The one fully equipped police car has been out of service for six weeks. GSA has had it at four different garages trying to get it repaired at the lowest cost. Attempts to get a loaner have failed. It is speculated that the delay has come about because local repair shops do not want to deal with the government because of delays in payment.

REGIONALIZATION

This VAMC is one of nine that comprises Medical District 3 of the Northeastern Region. Good relationships and sharing exist among the facilities. The one noted exception regarding sharing is VAMC San Juan, Puerto Rico. The distance from the other hospitals is a deterrent to efficient sharing.

ORIENTATION/PREPARATION OF INCOMING PERSONNEL

The usual VA three phase orientation program is used. Phase III (hospital orientation) is held every month by Personnel Service.

Traumatic Injury (TI): This facility was number one in the VA for lost time injuries about two years ago. This trend has since been reversed. It decreased from 12.4 to less than 3 per 100 employees. Some cases have been

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controverted which has helped keep the numbers down. There is still some suspected abuse because a few community physicians will sign anything for a few dollars.

ADMISSIONS, OUTPATIENT CLINIC AND AMBULATORY CARE SERVICE

The sudden increase in outpatient visits has saturated an already small area and staff. There are only two exam rooms in the ambulatory care area where 60 patients are seen daily. There are four clinic rooms with a fifth located near the dental clinic that is used for podiatry, ENT, and ophthalmology-optometry. Waiting areas are about one-third the size needed. Many walks through this area revealed veterans and their families lining the hallways. The Chief said he could use at least 1.5 additional FTEE physician coverage, but there is no place to put them. Currently he sees 20-30 walk-in patients daily, as well as, his administrative duties. He said that everyone is receiving good care, but it is taking longer to treat everyone.

The retrieval of records has not been a problem. Three months prior to the survey, the records room was expanded into the only available space, the ambulance bay. This has not caused any hardships because ambulance drivers seldom used it. There are plans to provide a cover near the ambulance entrance.

A Preventive Health Care Program was recently established for SC veterans rated at 50% or higher. The Chief of Ambulatory Care is the Coordinator. The services of the program are designed toward health promotion, prevention of disease, early detection of a symptomatic disease, and retard the extent of disability caused by diseases or aging.

MEDICAL ADMINISTRATION SERVICE

The occupancy rates for FY 1984 and FY 1985 were:

	FY 84	FY 85
Acute Medicine	73.8%	67.6%
Rehabilitation Medicine	75.0%	75.0%
Intermediate Medicine	83.8%	90.3%
Surgery	74.3%	64.8%
Spinal Cord Injury	75.0%	70.0%
Medical Center	75.3%	71.1%
NHCU	95.9%	95.3%

The surgery occupancy rate is higher than it appears. Twenty-four beds are not operating at this time due to the consolidation of services. The closed ward is the future site of the operating suite.

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Since their respective programs were instituted, there have been 528 Agent Orange, 13 Radiation, and 35 POW examinations performed. No reported complaints regarding these exams surfaced.

The contract ambulance service has not been providing adequate coverage. There have been lengthy delays in response time. The specifications are being upgraded to obtain higher quality contract bids. Beneficiary travel costs for the first eleven months of FY 1985 were $60,144.25. Of this amount, $20,956.26 was spent on ambulance travel.

One trained coder monitors the RAM coding process. He double checks the physicians discharge summary, the procedures performed and the DRG assigned. One concern voiced regarding the RAM is the assessment of the data. All the information is sent to Austin, but there is not real-time turnaround. If any bad patterns are developed, they are not known for 12 to 18 months after the data is submitted. There is no District Peer Review Organization, but local utilization review is performed regularly through the Chief of Staff's Office. The COS is Chairman of the Quality Assurance Committee which oversees the DRG monitoring.

If a strict Means Test is implemented, the Chief of MAS said the processing time would increase significantly. Additional staff would be needed to handle the extra paperwork that would be generated. Under the current space crunch, there would be no room for additional personnel. Relief will be forthcoming from the Building Addition Project.

BED SERVICES

Medical Service had one vacancy for a cardiologist. This was created when the previous cardiologist was appointed Chief of Medicine. Recruitment has not been a serious problem in the past and is not expected to influence the filling of this vacancy.

There are no respiratory therapists or program. There is a difference of opinion between the Chief of Medicine and COS regarding the need for an organized program. The COS said that at a recent JCAH meeti in New York City, a concurrence was made that registered nurses are capabl f performing this procedure. This is currently being done by nurses and physicians, but only in the ICU. This causes prolonged stays in the ICU that the Chief of Medicine feels are unnecessary and ties up staff time. The COS said a 4-bed step-down unit is being planned, but no time frame for implementation was given.

Space is a serious concern. It is totally inadequate for patient privacy and storage. A SERP inspection cited the facility for inadequate physician's office space on the units. As many as three physicians share some offices. The construction of the Building Addition Project will alleviate most of these deficiencies.

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The Chief does not like the DRGs. Although this service was a winner this year, he feels the DRGs do not take into account the needs of the patient. There are too many variables in patient care that cannot be handled by numbers or labels. No two people with similar conditions react the same way to prescribed treatment.

The unavailability of a local CT scanner is a detriment to quality patient care. The Bronx CT scanner is used by a number of other VAMCs. On the day of the interview, there was a three week wait for the next scheduled appointment.

A 36-bed intermediate medicine unit was created about a year ago. Patients are transferred in from other units in the hospital. If they come from an acute medical unit, they are followed by their present physician. Other transfers are assigned to physicians on a rotation basis. Space on this unit is also deemed poor.

Surgical Service has one 24 bed unit out of service due to consolidation of services. The operating suite is programmed to move into this area. The current OR location has had no major renovation or upgrading work in about 15 years. Minor renovations have occurred, leaving the area with a patchwork appearance. There are no separate male and female dressing rooms and the bathrooms need new tile and fixtures. Additional space will be realized with this move. Currently, they are only at 80% of criteria. It will increase to 98%.

One major thrust at VACO is to provide more ambulatory surgery. Unfortunately, no additional resources are provided for this endeavor. Ambulatory surgery was started about two weeks prior to the survey. The only room available is a cramped endoscopy room. This is undesirable because of the possiblity of cross-contamination. The patient changing room is not located nearby. The Chief of Surgery is not happy with the arrangement, but nothing else can be done at this time.

A backlog exists for general surgery and vascular procedures. A total of 28 elective cases were reported on the day of the visit. Most were reported to be for endoscopy.

The equipment was reported to be in good working order. A need was expressed for a B-Mode Scanner. The cost is about $65,000. It allows for non-invasive studies for vascular cases. Hospital Management said funding should be forthcoming from the District for procurement of this device.

Four residents from the New Rochelle Medical Center rotate through this service. Good supervision of their activities was reported.

Spinal Cord Injury Unit (SCIU): The SCIU consists of 40 sustaining and 20 long term beds. Space deficiencies were noted everywhere. Very little was done regarding expansion while much has been accomplished to improve the

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quality of a patient's life through the use of new and improved equipment. Storage for much of this equipment is patient's rooms and hallways. According to criteria, the SCIU is over 8,000 square feet deficient. A project to correct these deficiencies has been bantered around for about 15 years. It is currently scheduled for construction in 1987.

A serious problem is the inability to recruit and retain nursing personnel. The SCIU is a very labor and emotion intense area. Staff burnout is a constant problem. There were five nursing vacancies at the time of the visit. This constant turnover of staff interferes with any continuity of care being attempted. Consideration should be given to establishing special rates for nursing personnel to help alleviate this problem.

No formal outpatient clinic exists for discharged patients. If a veteran needs assistance, he can come in ad-lib and be treated. This concept will be corrected when the new addition is constructed.

Spinal Cord Injury Hospital Based Home Care (SCI-HBHC): An average daily census of 25 veterans are followed in this program. Many patients have combined SCI and geriatric problems because of their advancing age. These cases take an increasing amount of visitation time.

Space for this program is also very cramped. There were plans to move into the Building Addition Project, but the present status of this is unknown.

The Prosthetic Evaluation Testing and Information Center (PETIC) in New York City has an annex building on the VAMC grounds. The Coordinator of the SCI-HBHC said their expertise would be valuable for helping SCI veterans. Attempts have been made to obtain their cooperation, but too much politics has been involved. Hospital Management said this problem may be eliminated. The staffing for the PETIC Annex may be aligned under the Medical Center Director in the near future.

Rehabilitation Medicine Service (RMS): Vacancies for a physical therapist and occupational therapist have existed for about a year. Both positions are difficult to recruit and retain because of the low wages and large demand for their services. Community salaries are very lucrative, ranging from $5,000 to $9,000 more than the VA. Temporary OT and PT assistants are currently being used. There are no treatment backlogs, but the therapists have to carry more of a workload than they should. This means they have to spend less time with each patient than they would like.

Other therapies provided are correctional therapy, recreational therapy, and driver training. Driver training consists of a simulator, a sedan, and a van. The corrective therapist in charge of the program was on sick leave after having surgery. His date of return was unknown.

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Recreation therapy had two registered therapists (RTs), but one was lost through attrition. A temporary RT assistant now covers the NHCU and the 20 RMS beds. The therapist covers the SCIU along with his administrative duties.

RMS was the only money loser under the RAM. The Chief does not feel the acute DRGs should be applied to rehabilitation. Patients have to be rushed through their treatment regime too quickly. They have to be discharged, then readmitted or transferred to intermediate care to maintain treatment continuity.

NURSING HOME CARE UNIT

The NHCU is comprised of 148 beds in three buildings. On the day of the visit there were, 25 Category I, 39 Category II and 82 Category III patients. Category IIIs are the most debilitative patients. Approximately 50% of all patients are in need of wheelchairs or Jerichairs.

A minimum of ten additional FTEE were said to be needed. The veterans being cared for are getting older and have an increasing number of problems to manage. The staffing patterns have not kept up with these changes.

The NHCU is not without its space problems. There are no head nurse's offices and most storage is found in the hallways or half of a conference room. Only four rooms contain piped in oxygen and suction. The biggest need is for suction. Portable units are available when necessary, but it is inconvenient and time consuming.

The resource utilization groups (RUGs) component of the RAM need to be refined. It does not cover all the problems being seen in the nursing home. A RUGs II is being devised but has not been tested yet.

Pharmacy Service: Unit dose implementation was completed about two and a half years ago. Staffing is available 8 a.m. to 6 p.m. daily and 8 a.m. to 4:30 p.m. on weekends. The other hours are covered by a Doc-u-med system.

Recruitment and retention of pharmacists has not been a problem, but this may change. The competitive edge the VA had is being lost as community hospitals increase their salaries. They cannot compete at all with the local chain stores. The GS 11-15 reduction has further impeded their ability to hire. Fortunately, only one position has been vacant recently. This had to be filled at a lower than usual GS level.

Space has increased 900 square feet since the last American Legion visit. Storage space is still a problem, but will improve once the new warehouse is constructed.

The outpatient workload has increased sharply over the last few years. Approximately 53,000 prescriptions were filled three years ago. This year,

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95,000 prescriptions are anticipated. During the first three quarters of FY 1985, 70,856 outpatient prescriptions were filled. The outpatient window accounted for 37,030 while 33,826 were mailed out. The window turnaround time ranges between 20 and 45 minutes. Mailouts are usually completed in 24 hours. The week before the survey, they were taking two days because the computer was out after being hit by lightning.

Additional alarms are needed in the Pharmacy. Currently, there are only two. Hospital Management said this will probably occur after a final report regarding the pharmacy is received. The report stems from a couple of recent problems that occurred. One involved an employee who was "shopping" in the pharmacy on Sunday and a break in of a ward unit dose cart.

Nursing Service: The Chief of Nursing Service was on leave at the time of the visit. The interview was held with the acting Chief.

Recruitment and retention are the biggest problems facing this service. Vacancies existed for 13 registered nurses, 6 licensed practical nurses, and 3 nursing assistants. Nurse applications are drying up. Ten years ago, the VA was very competitive, but this has changed. Not only have wages and benefits improved in the private sector, but so have career ladders. Some career nurses have also been leaving.

The acting Chief said that recent candidates have been very aware of impending changes being implemented due to the Grace Commission recommendations. Many applicants are turning down positions with the VA because of the unstability of the retirement program, pay freezes, and uncertainty of career advancement. Many of those accepting positions are just passing through until something better comes along. This has increased the turnover rate for RNs from 22% in FY 1984 to 26% in FY 1985.

The recruitment and retention problem is compounded in SCI and NHCU. Candidates have said they are willing to work in any area of the hospital except spinal cord and nursing home. A recruitment and retention committee has been formed to work on this problem. A package for special rates is also being prepared. This has been a slow process because the community facilities are reluctant to part with needed information.

Social Work Service: The differences of opinion between this service and management as reported in the previous American Legion report seen to be corrected. The Chief reported no problems in this regard and said the morale of his staff was good.

There are eight contract community nursing homes with negotiations in progress for a ninth. The average daily census is fifteen. There were ten veterans waiting for placements into these homes. There has been some difficulty in placing veterans in these homes. The surrounding communities are affluent and the nursing homes prefer private admissions because of the better rates they receive.

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Public transportation is very limited. This places a hardship on veterans with limited income trying to get to and from the hospital. This was affecting patients in the community nursing homes because the homes would not provide transportation to veterans with clinic appointments. Hospital Management said they are in the process of correcting this by picking up veterans with a station vehicle.

There is no formal alcohol program, but community Alcoholic Anonymous meetings are held on station three times a week. Referrals to the community programs are coordinated by this service.

There is not adequate office space for the social workers. Most offices have double occupancy. The biggest problem is maintaining privacy. This deficiency should be rectified when the new building is constructed.

ANCILLARY SERVICES

Chaplain Service is administratively under the Associate Director. There appears to be some friction between the Chief and the ASD, but it has not interferred with the delivery of good patient care.

A full-time Catholic chaplain position was lost in August, 1985, and replaced with a half-time chaplain. The Chief would like to have this increased to full-time to provide better coverage during annual and sick leave. An intermittent Protestant chaplain is also felt to be needed for the same reason.

The all faith chapel is not easily accessible to the patients in the NHCU. The possibility of establishing a quiet area in the nursing home is still being explored, but is unlikely at this time due to spacial limitations throughout the medical center.

Dietetic Service: Space for this service was deemed adequate except in the nutrition clinic. The biggest problem is the design. The entire layout of the department is inefficient for good workflow. The dishwashing area is located adjacent to the main lobby of the hospital and is the first area seen by visitors entering the hospital. Potwashing and food disposal are located inside the main kitchen food preparation area. These, and other deficiencies, will be corrected during a complete renovation scheduled for FY 1989.

Food pilferage had been a problem, but stricter controls are being implemented. Locks were rekeyed and the number of keys dispursed reduced. There is a project in progress to redirect traffic from the freezer area. They currently are on a hallway with a heavy traffic pattern.

The meal conveyance system has been in operation for ten years. It is very inefficient and costly. The carts use a large amount of electricity because they have to be plugged in constantly. The carts are also very bulky

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and heavy and require a lot of maintenance. The main complaint veterans had regarding their meals was the temperatures at which they are served. A request has been submitted for the Delta One. It is similar to the Pellet system, except that the heating element is in the tray cover rather than under the plate. Hospital Management said the $140,000 necessary would be coming from the District.

An average of 345 rations are prepared daily at a raw ration cost of $3.66. Fifty-six percent of the meals served are for modified diets. Most of the entrees are prepared locally. Most of the convenience items used are for other than entrees.

There are no current studies for contracting out at this station's Dietetic Service, but the threat of this happening is disconcerting to the staff. The Chief has been monitoring a contracting service at West Point that started about two years ago. The turnover of staff has been constant and the quality of the meals has diminished.

Veterans Administration Voluntary Service (VAVS): There are 21 organizations on the VAVS Advisory Committee. At the end of August, there were 340 regular scheduled (RS) volunteers. During the first eleven months of FY 1985, 26,145 hours were contributed by these volunteers. The Chief said the number of volunteers is gradually reducing. Younger volunteers are not replacing older volunteers at the same rate they are leaving.

The American Legion Representative is Mr. Arnold Frazier. His deputy is Mr. John R. Vuolo. During the first eleven months of FY 1985, the 24 RS volunteers provided 1,347 hours of time. The 39 American Legion Auxiliary RS volunteers contibuted 3,529 hours during the same period. Their representative is Mrs. Madeline Caramati. Her deputy is Mrs. Dorothy Kiernan. Both organizations sponsor many activities independently or together. They include a Christmas Gift Shop, Poppy Program, bingos, carnivals, and picnics.

Very few youths volunteer at the medical center. There were only six this past summer. The biggest hinderance is transportation. The only public transportation is a bus that comes to the VA twice a day. This is a recent activation.

Space for this service is poor. The Chief's office is in a large room shared by everyone. There is no privacy. The service is slated for space in the new addition. Separate offices are included for the Chief and her secretary.

III. CONCLUSIONS

The quality of medical care being provided is good. The quality of life the VAMC can provide while giving this care is questionable. The medical center was constructed in 1924, primarily as a TB hospital. It has evolved to

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the present GM&S model, but aging building configurations and a severe shortage of space are limiting. Projects have been identified that will correct many deficiencies. The Building Addition Project was scheduled to start this summer, but has been delayed because the bid came in higher than estimated. Some minor redesigns are being done to get the project back on track. If no further delays befall this project, ground breaking will be next spring.

The Spinal Cord Injury Addition is scheduled for design and construction in FY 1987. The two story building will correct numerous deficiencies that exist in the present location. A therapeutic pool will be included. The pool had been approved previously, but has been deferred on more than one occasion.

The space crunch has affected the computerization of the facility. Although the system is operating, its distant location from the hospital complex has prompted a number of delays and downtime. The underground cables were not insulated properly. Thunderstorms have caused the system to go down on a number of occasions, with the most recent causing the circuit panels to burnout. Line drivers were not initially thought to be needed. This caused the system to receive intermitten power, again causing system problems. Headway is being made in correcting these deficiencies at the local level. One deficiency that needs assistance from VACO is the sprinkler system. Water, as a first line of fire prevention in the computer room, is backward thinking. The recommended protection is Halon gas. Its installation is more expensive than water, but will not destroy the sensitive and expensive equipment if it is needed.

The recruitment and retention of nursing personnel is a constant problem. This is especially true for the spinal cord injury unit, and to a certain degree, the NHCU. An edge the VA had in the past has been lost. The current atmosphere regarding government employment is one of fear, skepticism, and uncertainity. Too many negative changes have occurred in a short period of time. In an attempt to change this trend, a proposal is being prepared to establish special rates for registered nurses. Approval of this proposal could be the ray of hope needed to change this negative trend.

The impact of the DRG component of RAM on rehabilitation medicine has been twofold; bad and bad. The acute DRGs do not adequately provide the time necessary to perform a full range of rehabilitation treatment. Hospital Management has only two choices; they can provide the necessary treatment and lose money or make money and pressure RMS into discharging the veteran prematurely. Neither decision should have to be made. A DRG exemption for RMS needs to be granted until a logical DRG reimbursement method is devised.

IV. RECOMMENDATIONS

Background data and assessment on the following recommendations for this VA health care facility can be found in the Observation and Conclusion sections of this visitation report. The American Legion presents these recommendations

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to VA Central Office for the purpose of addressing and correcting deficiencies observed during the course of this survey.

1. Provide the funding necessary to construct the Building Addition. No further delays should befall this project.

2. Provide the funding necessary to construct the Spinal Cord Injury Addition.

3. Provide the special rates necessary to enhance Nursing Service's ability to recruit and retain quality personnel.

4. Exempt Rehabilitation Medicine Service from the resource allocation model until a logical reimbursement model can be established. Funding should be pass through during the interim.

5. Provide the funding necessary to install Halon gas extingishers in the computer room.

Hospital Managemnt concurs with these recommendations.

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The American Legion FSR: No. 5-065

THE AMERICAN LEGION
VETERANS ADMINISTRATION MEDICAL CENTER VISITATION STATISTICAL REPORT

LOCATION VAMC, Castle Point, NY DATE OF INFORMATION 9/16/85

MEDICAL CENTER DIRECTOR Richard S. Droske

ASSOCIATE MEDICAL CENTER DIRECTOR Kenneth H. Mizrach

ASSISTANT MEDICAL CENTER DIRECTOR

CHIEF OF STAFF C. Alex Alexander, M.D.

MEDICAL SCHOOL AFFILIATION

as of 8/31/85	CURRENT FY 19 85	LAST FY 19 84
HOSPITAL BED CAPACITY	256	256
HOSPITAL OPERATING BEDS	256	256
AVERAGE DAILY CENSUS	181.9	189.9
TOTAL OUTPATIENT VISITS	34,557	32,894
NHCU BEDS	148	148
SCHEDULED FOR ADMISSION:		
SERVICE-CONNECTED	12	
NONSERVICE-CONNECTED	14	
WAITING LIST (ALL BED AREAS):		
SERVICE-CONNECTED	12	
NONSERVICE-CONNECTED	16	

EXPLAIN THE REASON FOR THE WAITING LIST: temporary shortage of surgery beds

VA FORM 10-10 APPLICATIONS FOR MEDICAL CARE:

RECEIVED LAST FISCAL YEAR 9,659

NUMBER OF APPLICATIONS ACCEPTED 9,455

NUMBER OF APPLICATIONS REJECTED 204

RECEIVED THIS FISCAL YEAR thru 7/31/85 - 7,130

NUMBER OF APPLICATIONS ACCEPTED 7,021

NUMBER OF APPLICATIONS REJECTED 69

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TOTAL NUMBER OF REQUESTS FOR DISABILITY EVALUATION EXAMINATIONS (2507) ON HAND WHICH HAVE NOT BEEN COMPLETED AND RETURNED TO VA REGIONAL OFFICE: _____

OVER: 30 DAYS_____ 60 DAYS_____ 90 DAYS_____ 180 DAYS_____

HOSPITAL SUMMARIES PENDING:
UNDICTATED 0 AWAITING SIGNITURES 25

UNTRANSCRIBED 0 TOTAL OVER: 10 DAYS 0 30 DAYS 0

STAFF

TOTAL VAMC PERSONNEL (FTEE) 703.4 CORE RATIO 1.7

STAFF PHYSICIANS (FTE) 31.7 PHYSICIAN EXTENDERS _____

CONSULTANTS 75 ATTENDINGS 0

RESIDENTS 4 MEDICAL STUDENTS 0

MAJOR PERSONNEL VACANCIES

PHYSICIANS (BY SPECIALTY) _____

REGISTERED NURSES 2 ICU, 2 SCI

LICENSED PRACTICAL/VOCATIONAL NURSES 2 SCI

NURSING ASSISTANTS None

OTHERS _____

FUNDS

AVERAGE COST PER PATIENT DAY 242.34

AVERAGE COST PER OUTPATIENT VISIT 56.07

AVERAGE COST PER NHCU DAY 112.57

AVERAGE COST PER PATIENT DAY IN COMMUNITY NURSING HOMES 98.54

MEDICAL CENTER BUDGET ALLOCATION:
THIS FISCAL YEAR: RECURRING 23,241,680
NONRECURRING 3,120,270
LAST FISCAL YEAR: RECURRING 22,117,432
NONRECURRING 3,028,027

(Revised October 1, 1983)

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No. 5-075

NATIONAL VETERANS AFFAIRS AND
REHABILITATION COMMISSION
THE AMERICAN LEGION
VISITATION REPORT
OF
VETERANS ADMINISTRATION MEDICAL CENTER
CHARLESTON, SOUTH CAROLINA
DECEMBER 2-6, 1985

Date Received: January 14, 1986
Type of Facility: General Medical and Surgical

LEONCE J. WILSON
National Field Representative
The American Legion
1608 K Street, N.W.
Washington, D.C. 20006

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The American Legion FSR: No. 5-075

VETERANS ADMINISTRATION MEDICAL CENTER
CHARLESTON, SOUTH CAROLINA

I. INTRODUCTION

A regularly scheduled visit was conducted at the Veterans Administration Medical Center (VAMC), Charleston, South Carolina during the week of December 2, 1985. The purpose of the visit was to assess the quality, quantity, and timeliness of health care being provided to veterans.

Coordination: Prior to the visit, correspondence was forwarded to Mr. J. Fred Hoefer, Jr., Medical Center Director, and the following representatives of The American Legion, Department of South Carolina: Mr. James A. Hamilton, Sr., Department Adjutant; Mr. Hoyt B. Hill, Jr., State Service Officer; and Mr. John Tanner, VAVS Representative. Mr. Tanner accompanied me on a number of the interviews during the survey.

Statistical Information: Data pertaining to bed capacity, personnel shortages, patients on the rolls, and operating costs is attached.

Professional Affiliation: An affiliation exists with the Medical University of South Carolina (MUSC). A very good relationship was reported to exist by all those interviewed. The acting Dean of MUSC said open communications exist at all times. A recent General Accounting Office survey revealed good supervision of residents in training.

Hospital Accreditation: The Joint Commission on Accreditation of Hospitals (JCAH) surveyed this facility on March 13-14, 1985. A three year accreditation was awarded with contingencies.

MISSION OF MEDICAL CENTER

The mission of this 401-bed medical center is to provide high quality acute medical, surgical, and psychiatric care to veterans. The hospital's primary service area consists of fifteen South Carolina counties and one Georgia county. The facility is located within a medical complex with multiple sources of health care services. Long term psychiatric needs are referred to VAMC Augusta, Georgia. The authorized bed designation is as follows;

Medicine	186
Surgery	137
Neurology	10
Psychiatry	68

Only 280 beds are operating. The others have been used as swing space during a seismic project, patient privacy construction, and, currently, construction of a clinical services addition.

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II. OBSERVATIONS

Adequacy of Funds and Personnel to Permit Satisfactory Performance of the Assigned Mission: The second continuing resolution was in effect, therefore it was not known what impact the Fiscal Year 1986 (FY 1986) would have on hospital operations. It is difficult to judge appropriate spending patterns. If the spending is maintained at the FY 1985 rate, and less funding is received, then adjustments would have to be made in the last three quarters of the fiscal year. Regardless of the outcome, FY 1986 is anticipated to be a difficult year. The scope of some programs may have to be reduced, but none had been singled out yet.

This facility has been exempt from the resource allocation model (RAM) because of the many beds closed due to construction for seismic reinforcement, patient privacy, and the clinical addition. A test revealed the medical center would have been a modest winner if the RAM had been in use.

One future concern of the RAM relates to the recent shift of operating dollars to personal services. Seventeen additional positions were realized by this shift, but the ability to purchase needed medications was reduced. This FY 1986 shift may skew the FY 1988 RAM reallocated funds.

Medical District 9 is one of two pilot test areas for the Medical District Peer Review Organization (MEDIPRO). Two physicians from each VAMC are on the MEDIPRO Committee. Their responsibility will focus on reviewing patient records to provide a more objective assessment of patient care. This will ensure that resources are not underutilized and patients are not short-changed in their treatment.

The GS 11-15 reduction continues to have a negative impact on recruitment and retention. A vacant position in this category has to be approved by the Regional Director. Otherwise, it has to be filled at a lower level. This is next to impossible in many cases. Some employees are in line for a promotion, but are frozen at their current level until concessions can be made. Obviously, morale has to suffer, not to mention future recruitment even if the restriction is lifted.

Overall, space is not adequate. Some relief will be achieved through patient privacy construction and the clinical addition. One spacial criteria that needs to be addressed is the installation of computer hardware. VA and inspector general (IG) criteria needs to be updated to reflect this spacial need for future renovations and new construction.

Another concern is the operating room (OR) suite. They have remained virtually unchanged since the hospital was constructed in 1966. The design criteria used was probably five years before this. The four possible scenarios for the OR suite are:

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1. Do nothing and continue operating under the current constraints.

2. Do the work piecemeal over a period of years while curtailing the amount of surgery performed.

3. Close surgery and replace all the suites at once in a shorter period of time.

4. Add a third floor to the nursing home care unit (scheduled for construction in FY 1988).

Plan one should be eliminated. Plans two and three will modernize the surgical suite, but will interfere with normal procedures. They also will not allow for improved spacial needs because of the constraints of the building. The fourth plan will allow for the most updated surgical suite while not interferring with the regular hospital routine.

A representative is designated to meet with every woman veteran admitted to the hospital. Private facilities are available on all units to meet their needs. One woman veteran was very complimentary of the treatment she had been receiving over the past five years on an inpatient and outpatient basis. Gynecological coverage is provide by a consultant from the university.

VAMC Charleston is a primary receiving facility under the VA/DoD Contingency Planning. They will coordinate with the Charleston Naval Hospital and be responsible for treatment of sick and wounded military personnel needing immediate care. Currently some sharing exists with the naval hospital and Charleston Air Force Base.

Three people are assigned to automatic data processing (ADP), but all the positions had to come from within the assigned hospital ceiling. Medical Administration and Pharmacy Services are operating. Laboratory Service is being tested and should be ready for use by mid January 1986. Dietetic Service should be operating by late spring or early summer. Engineering, Fiscal, and Personnel Services are operating separate systems.

The Office of Management and Budget (OMB) has frozen the funding to purchase additional equipment. The only way the Site Manager has been able to improve and expand the current computer capabilities is through the purchase of excess General Services Administration (GSA) equipment. There is only desultory success with this arrangement because about 50% of the equipment is not useable.

There have been some problems with printers in the pharmacy. They were not designed to handle the heavy workload or extra thickness of the pharmacy labels. The Site Manager also felt some equipment problems could be attributed to improper storage at the depots.

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The computer room, located on the second floor of the hospital, is cramped. Its expansion is programmed for the near future to move into some vacated rehabilitation medicine space. Some water damage was received when hurricane Kate passed through the area in November.

There are only Halon gas fire extinguishers available for fire suppression. The Site Manager said that this is not a desirable arrangement. An automatic fire suppressant system with Halon gas is needed.

There is no uninterrupted power source (UPS) available. This has resulted in damage to some memory boards when the power has gone down, then surged suddenly. Emergency generators are not on-line with ADP for the same reason. The power output is not evenly distributed at all times.

The clinical addition is currently under construction. At the time of the visit, the 120 foot pilings were being driven into the ground. Over 400 pilings are necessary to hold the building above the unstable ground. The building has been designed to add a third floor, but no funding has been approved to complete this endeavor.

Although the seismic project has been declared complete by VACO, there are some reservations regarding the work. It is uncertain whether there were design or contractor deficiencies, but since the project was completed, there have been noticeable leakage around expansion joints and windows. Currently, VACO is examining the situation for future action.

Approximately one third of an acre (the site of the helicopter landing pad) will be excessed in the future. It will be used for a bridge ramp. The bridge is to be constructed across the Ashley River to James Island. As with most large projects, it has been in the planning stages for many years and is surrounded by much controversy.

Professional Services: Approximately 90% of the physicians are board certified. The remaining are board eligible. Ninety-eight percent have faculty appointments. Vacancies existed for a .8 otolaryngologist and 1.1 nephrologists. A radiologist position, vacant for two years, was recently filled. Some subspecialties are difficult to recruit because of the money they receive in the community. If it was not for the university subsidizing some of the scarce positions, they would be impossible to fill.

The Chief of Staff feels the RAM will benefit this facility. He said they have been significantly underfunded for years. A geriatric evaluation unit and a Hospital Based Home Care program have been priorities for years, but funds have not been forthcoming to implement them. He estimates that about 10% fewer nonservice-connected veterans will be treated this fiscal year if adequate funding is not received.

The hospital's first computerized tomography (CT) scanner will be installed this fiscal year. The site preparation should be completed by August

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and the scanner operational by October. Currently, these procedures are performed at the medical school.

Twenty-one cases of acquired immune deficiency syndrome (AIDS) cases were identified in FY 1985. They averaged three episodes of hospitalization each and their length of stay ranged from two to four months. The estimated costs for antibiotics alone was $60-$120 per patient per day. Overall costs are not maintained separately. Good infection control guidelines and staff education have created minimal employee concerns for those who have direct contact with AIDS patients. Other staff and volunteers remain leery of veterans suffering from this condition.

Associate Director (ASD): The services under the control of the ASD were reported to be functioning well. The only concern is the possible contracting out of Canteen food services. Thirty-one vendors have expressed interest in obtaining the labor contract. The contractor will be using the VA's equipment while supplying only the labor. The direct line of authority will be lost. The quality of service is expected to deteriorate because career personnel will be replaced by minimum wage employees receiving no benefits. Employee morale in this service is at an all-time low.

The parking lot continues to settle due to the instability of the ground. Periodically, it has to be repaved to keep it above sea level. During heavy rains and/or extreme high tides, the parking lot becomes flooded. The salt water has a detrimental affect on the parked automobiles.

Fire protection is provided by the City of Charleston. Response times were reported to be very good. There is no known charge to the VA for this service.

Linen services are provided by the consolidated laundry at Augusta, Georgia. The laundry was opened about one year ago. Problems associated with this service will be discussed later in the report.

Security Section is administratively under the Associate Director. This arrangement was reported to be working well.

Three of the ten officers are retirees. Turnover of staff is usually low, but three officers left this year. It took six months to replace them. The wages offered are not comparable to the strict requirements of the position description. The Office of Personnel Management (OPM) registers lack quality candidates, further delaying recruitment procedures. The Chief said he could use additional staff, but he has a good cadre of officers who have been able to handle all situations to date. The property consists of one major structure on 16.5 acres of land.

Office space is inadequate. A new office will be located in the front lobby in conjunction with the clinical addition, but no additional space is expected to be gained.

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REGIONALIZATION

Charleston is one of six VAMCs located in two states that comprises Medical District 9 of the Southeastern Region. Cooperation within the district and the region was reported to be highly satisfactory. The sharing of some funds has been curtailed due to the RAM.

ORIENTATION/PREPARATION OF INCOMING PERSONNEL

The usual VA three phase orientation program is used. The hospital oreintation (Phase III) is scheduled monthly by Personnel Service.

ADMISSIONS, OUTPATIENT CLINIC, AND AMBULATORY CARE SERVICE

There were 74,120 outpatient visits recorded in FY 1985. This is an increase of 3,716 visits over FY 1984 and 7,408 visits over FY 1983. The Associate Chief of Staff for Ambulatory Care (ACOSAC) stated they are attempting to service everyone possible, but the funding is not keeping up with the number of veterans seeking treatment. Some veterans are being trimmed from the rolls.

The pharmacy budget dictates who can be treated. They try to eliminate those veterans needing the less essential medication. Many of the veterans are on fixed incomes or indigent. They are referred to Social Work Service where they are referred to a community resource providing the cheapest medications.

Recruitment is in progress for a physician with a background in preventative medicine. The ACOSAC said this is a paradox situation because funding is not adequate to procure the medications, etc., that are needed to prevent a problem from getting worse.

Waiting areas are designed to handle a fixed number of veteran visits, not taking into account that many veterans travel great distances. They often are accompained by someone, or as often occurs in this section of the coutnry, by many of their family members. Waiting rooms were noted to be filled to overflowing a number of times during the survey.

Patient privacy for interviewing needs to be improved. Hospital Management concurs, but nothing is planned at the present time. The current configuration was necessary to handle the computers. ADP was not figured into space criteria when the original design was being prepared.

The ACOSAC said there has been frequent delays in radiology turnaround times for barium enemas and upper GI testing. It is anticipated that this will subside with the hiring of a new radiologist. The position had been vacant for two years, placing an additional burden on Radiology Service to meet the increasing demands of outpatient activities.

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MEDICAL ADMINISTRATION SERVICE

The occupancy rates for FY 1985 were:

Acute Medicine	83.2%
Intermediate Medicine	67.8%
Neurology	80.0%
Surgery	67.0%
Psychiatry	93.2%
Medical Center	78.2%

The medical center occupancy rate for the first two months of FY 1986 was 78.9%.

Since their respective programs were initiated, there have been 803 Agent Orange, 161 POW, and 39 Ionizing Radiation examinations performed. No known complaints have originated regarding the administration of these programs.

The turnover of employees out of the service is thirty-one percent. Most are lost to the post office or the navy due to higher grades. Recruitment is not a serious problem, although OPM registers are generally slow. The one position that is difficult to recruit for is in transcription. OPM has no position description for transcriptionists, therefore the registers only contain applicants with clerk typist experience. Once the VA trains them, they leave for more lucrative community jobs. Most transcription is currently contracted out.

Budgeted beneficiary travel for FY 1985 was $601,000, while total expenditures totalled $646,870. In FY 1986, $588,445 has been designated for beneficiary travel. Ambulance costs for FY 1985 were $91,858. Currently, the ambulance contract is on a month to month basis. There has been a long history of feuding between the two local ambulance companies. Everytime a contract is awarded one company, the other protests it.

Any combination of a means test, co-payment process, and third party reimbursement will be a nightmare for this service. Additional employees will be needed to handle the additional paperwork that will be generated. Patient procesing time will also increase and a billing agency will have to be established. Any anticipated dollar savings will be more than offset by the growth in the workload created.

No one person is designated as a patient ombudsman. Three employees at the front desk field problems. If they are not able to settle a problem, it is handled in the MAS office.

The telephone system has been less than desirable. A new computerized switching system is being installed until VACO can obtain the funds necessary to replace the entire system. The Hot Line was still not functioning at the time of the visit.

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BED SERVICES

Medical Service is responsible for 118 operating beds. Fifteen are intermediate beds, eight are for the medical intensive care unit, and five are for dialysis.

Vacancies have existed for a year in oncology and nephrology. They have been covered by the university. The Chief said it has been difficult to recruit physicians with good credentials for these positions.

The Chief stated that he was somewhat confused with regard to the diagnosis related groupings (DRGs). He did not feel they took into account the needs and human factors in the treatment of patients, but relied more on scores that would benefit the facility. Too many variables exist when treating VA patients that are not adequately covered by the DRGs.

Surgical Service: A part-time otolaryngologist vacancy has existed since June, 1985. An orthopedic vacancy is expected soon. Recruitment of some positions is difficult. Not only may there be a scarcity of qualified candidates, but recruitment funding is not available. The university has to underwrite this VA deficiency. A recently filled neuro-surgeon vacancy existed for eighteen months. During this period, their accreditation for a residency program was discontinued because they were unable to obtain the minimum 100 surgical cases necessary. The final decision does not go into effect until 1987, therefore, time still exists to improve the service and become reaccreditated.

The Chief said he would like to upgrade a number of programs, but resources and FTEE are not available. Some procedures performed at the university on fee basis could be done at the VA if the proper equipment was available. A two month back log existed in ophthalmology laser surgery because fee basis funds were limited due to the continuing resolution. Some laser surgery will be shifted to the VA in conjunction with the recent installation of an argon laser.

Four of the five operating suites are in use. The fifth room needs some ceiling repairs. The Chief said he would need additional FTEE to activate the room on a regular basis. The COS said there was a meeting to discuss this situation. He wants to be sure the other rooms are being used efficiently before any additional staff is provided.

As was mentioned earlier, the OR suite is archaic. Designed twenty-five years ago, it does not meet the needs of modern medicine. Good work flow cannot be accomplished and office space is limited. Contaminated instruments have to be carried through clean areas and an engineering storage room is located across from the OR. Space to correct the deficiencies does not exist in the OR's current location. There are tentative plans to construct a third floor on the NHCU. The future of this project may be in jeopardy because of the Gramm-Rudman-Hollings bill.

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There have been some problems with the large autoclave in supply, processing, and distribution (SPD). On one occasion, the surgical suite had to be closed and cases transferred to the university for several days. There are plans to install new sterilizers to rectify this problem.

Psychiatry Service: Vacancies existed for a .5 psychiatrist, .5 psychologist, .5 nurse practitioner, and a full-time social worker. These are new positions to supplement the mental hygiene clinic. Once filled, the clinic will operate an evening shift.

The 38 beds are for acute care patients. Those needing longer term treatment are referred to VAMC Augusta, Georgia. The Chief said one additional social worker is needed to cover the inpatient unit.

A full range of treatment modalities are used. Groups are also provided for veterans suffering from post traumatic stress disorder (PTSD). A good rapport exists between the VAMC and the Vet Centers. Close interaction between the two facilities allows for a functional treatment program. The closest inpatient PTSD program is located at VAMC Augusta, but a two to three month wait exists.

Alcohol and Drug Treatment Program (ADTP): The ADTP has a 30 bed capacity. During the last American Legion visit only 8 beds were in operation due to construction. Recently, the beds increased from 15 to 20. The Director of the unit plans to use all 30 when all personnel are on board. The staff consists of:

1	Psychiatrist (Director of ADTP)
1	Family Practitioner (will leave in January and be replaced by a psychiatrist)
1.5	Psychologists
2	Social Workers (1 vacancy)
1	Alcohol Counselor
1	Physician's Assistant
5	Registered Nurses
5	Licensed Practical Nurses
1	Psychiatric Resident
1	Psychology Intern
1	Post Doctoral Fellow in Alcohol Study (WOC)
2	Research Technicians (paid by research grants)

Part-time assistance is provided by RMS, Chaplain Service, and Dietetic Service. None of the employees are recovering alcoholics or addicts. The Director of the ADTP said he could use one additional registered counselor.

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While the beds were reduced, the length of the program was 21 days to treat the greatest number of veterans possible. Now that more beds are available, the program has been increased to 28 days. Detoxification is done on the unit unless there are serious medical complications.

Alcoholics Anonymous is one of many treatment modalities used. On and off station meetings are available four times per week. Antabuse is also available, but its use has declined over the past few years. Contract halfway houses are available in a few outlying communities, but none of the local facilities has been able to meet the VA's fire and safety standards.

Between 150-200 outpatients are active at any one time. Over 2,000 outpatient visits are recorded each year. No aftercare studies have been performed in the past two years. There have been some research studies performed, but they are in conjunction with research drugs provided to test the success or failure of the medicine on one's craving for alcohol.

The Director of the ADTP was unsure of the impact the DRGs would have on his program. The program has had to operate at less than the normal length of time during construction, but the arrangement was not ideal. The compressed treatment schedule may work for some, but not everyone.

Neurology Service: The Chief of this service had only been on station about one week prior to the visit. He filled a vacancy that had existed for about one year.

The Chief said he wants to have Neurology Service become more integrated with all the other services. He would also like to develop an Alzheimer's disease program. Currently, only evaluations can be performed.

MEDICAL SUPPORTIVE SERVICES

Rehabilitation Medicine Service (RMS): Most of this service was moved from the second to the fifth floor. The physical therapy clinic remains on the second floor, but will be moving across the hall from its present site. The vacated space will be used for nuclear medicine and ADP. Space continues to be a draw back. The clinics are cramped. The Chief would like one additional physical and occupational therapist, but space is not available for them. The future plan is to add a third floor to the clinical addition and expend into the area. The third floor has been approved, but not funded as yet.

The ability to recruit and retain physical therapists is as difficult as it is at other VAs. One therapist left in June, 1985 and the position has remained vacant since. No treatment backlogs were reported, but the frequency and periods of treatment have had to be reduced.

Audiology and Speech Pathology is a subsection of the ear, nose, and throat section of surgery. Coverage is provided by a three-eighths time person. Due to the heavy workload, a full-time speech pathologist is necessary to accord more time for audiology services.

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Hearing aid evaluations and distributions could easily be performed here. The only thing hindering this operation is the inability to obtain a stock of hearing aids. Attempts have been made in the past to stock a small number, but it has been resisted. Currently, veterans have to drive two and a half hours to VAMC Columbia. The average length of wait for an appointment is six weeks. Improved service to veterans would be realized with a stock of hearing aids at this facility.

Pharmacy Service: The unit dose drug distribution system is programmed to be implemented with the completion of the clinical addition. Twenty additional FTEE are anticipated for this, but the ability to hire personnel will be severely affected by the GS 11-15 reduction. It is difficult to compete with the community for quality people without the reduction. One recent pharmacist vacancy existed for six months before it could be filled.

Space is very limited. The size of the pharmacy will triple with the completion of the clinical addition. Most of the equipment will also be replaced. These improvements, along with the additional staffing, will reduce the dispensing window and mailout turnaround times. The window wait averages 70 minutes, but reaches two hours during peak periods. The mailouts are up to four days. Overtime is used to reduce this, but at times, window turnaround time has to be compromised to keep the mailouts from getting out of hand.

During FY 1984, 199,408 outpatient prescriptions were filled. Last fiscal year, 213,009 were filled for an increase of 13,601. The outpatient window accounted for 114,152 prescriptions while 98,857 were mailed.

It was unknown what impact the budget would have on this service because of the continuing resolution in effect at the time of the visit. Nonservice-connected veterans may have to be denied certain medications if the funding is not adequate. The transfer of operating dollars to personal services will be devastating. The intent was good, but the logic was not.

Nursing Service: Last year, a recruiting problem existed. The service was averaging twenty vacancies during that period. When the Chief arrived last February, different recruiting procedures were tested successfully. During the survey, there were six nursing vacancies. It is too early to tell, but the opening of a new hospital in January, 1986 may have a negative impact on recruitment and retention.

The staffing ceiling was felt to be adequate, but the mix of registered nurses to all others need improving. Licensed practical nurses were being used in the intensive care unit. Gradually, an all RN staff will be assigned to the ICU.

Social Work Service had one vacancy. It was a new position for the expansion of the alcohol program. A journeyman is needed, but the GS 11-15 has hindered the recruitment process. The Chief said she lost an excellent candidate, who was a ten point veteran, because she could only offer a two

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year temporary slot. One additional social worker is needed for the inpatient psychiatric program.

There are thirty-one contract nursing homes, but only seventeen are used with frequency. The average daily census is 42. There were 46 placements during the visit. More homes could be used, but the VA uses the 1985 Life-safety Codes when inspections are due. The state uses the codes that were in effect at the time the structure was built.

There is no residential care program. Trying to establish one has been difficult. Three homes have been identified, but they do not meet the stringent VA life-safety requirements.

One of the greatest needs is a Hospital Based Home Care (HBHC) program. It would eliminate a deficiency gap in medical programs. Proposals have been submitted three times, but never approved by VACO. During the last submission, 41 veterans placed in nursing homes could have been treated at home. Not only would it have been more cost effective, but would have allowed the veteran to live a more normal existence.

The closest spinal cord injury unit is located at VAMC Augusta. Fifty-eight SCI patients are followed from this facility. Social Work Service also monitors 140 veterans who are visually impaired.

ANCILLARY SERVICES

Chaplain Service: The greatest concern voiced by the Chief was the GS 11-15 reduction. Chaplains are required to be experienced, but the lower grades now being used do not reflect this. He said that if they want lesser trained chaplains, then the standards should be lowered. Some categories of chaplains are difficult to recruit nationwide because there is a shortage of them. The GS 11-15 reduction has compounded the VA's effort to recruit.

The Chaplains' Guide in use is a 1966 issue. The new guide from Central Office has been held-up for the last ten years.

Dietetic Service: Pay for dietitians has been comparable to community facilities. The biggest problem in recruiting had been the delays in receiving OPM registers. Currently, registers come out of VAMC Richmond. There has not been a need to use them to make a comparison on timeliness. A need was expressed for an outpatient dietitian, but no ceiling is available.

Approximately fifteen positions have been lost over the last five years due to the reduced number of beds in operation. These losses have not hindered the operation of the service. It has helped them become more efficient. This should help them when the most efficient organization (MEO) studies commence. The fear of contracting out is everpresent. It would be disasterous for staff and patients alike. Such was the case at a local naval hospital. The caterer awarded the contract did not have hospital experience. The quality of service

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diminished, including poor cleaning of utensils. Employee wages were minimum and benefits were nonexistent, thus attracting the least desirable personnel.

An average of 223 rations were prepared daily during FY 1985 at a raw ration cost of $3.39. Approximately 60% of the diets are modified. Any outpatients who need a meal are fed in the patient dining room. The foods sampled during a taste testing were very good.

The only equipment in need of upgrading or replacement is the food conveyance system. The unitized pellet with unheated carts has been in use for over ten years. During the September 1985 patient survey, only 63% of those surveyed felt their hot items were served hot. This may be due in part to the use of a trayveyor. The trays are prepared in the kitchen, sent to the floor on the trayveyor, and taken off and placed on the unheated carts. The system is not felt to be an efficient operation and the trays spend more time exposed to different air temperatures than when placed on carts immediately after being made up.

The control of pests is a constant battle. The location of the hospital exposes it to rapidly reproducing insects, such as, water bugs, mosquitoes, and fleas. An employee in Building Management Service is responsible for their control.

Laundry Section: The laundry cleaning had been performed at VAMC Columbia, South Carolina until a little over a year ago. It was then transferred to the consolidated laundry at VAMC Augusta, Georiga. Augusta now does the laundry at their two divisions, Atlanta, Dublin, Columbia and Charleston. It has been plagued with problems since opening. There were personnel and equipment problems and the building was poorly designed for proper work flow. It is currently being redesigned and some of the equipment has been or is in the process of being replaced.

Some of the problems experienced at this facility include dirty looking linen (due to the cold water wash) linen shortages, and items arriving unfolded, stuffed in bags. Many of the problems were subsiding, but during the survey, it was learned that the laundry was flooded by a major pipe burst.

Veterans Administration Voluntary Service (VAVS): Support from the service organizations was reported to be very good. In the last two years, seven organizations and 291 regularly scheduled (RS) volunteers have been added. Currently, there are 29 organizations on the VAVS Advisory Committee. During FY 1985, the 398 RS volunteers contributed 41,016 hours.

The American Legion Representative is Mr. John Tanner. His deputy, Mr. James H. Sheley, is an associate from Savannah, Georgia. The American Legion Auxiliary Representative is Mrs. Jacqueline Meade. Her deputies are Mrs. Thelma Smith and Mrs. Albertha Heyward. The 10 RS volunteers from The American Legion and 20 RS volunteers from the Auxiliary contributed 788 hours and 3,518 hours last fiscal year.

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Both organizations sponsor and/or participated in a number of programs including bingos, the National Salute to Hospitalized Veterans, the Poppy Program and a Christmas Gift Shop. An excellent Gift Shop was observed in operation during the visit. It was well planned and well attended by volunteers and patients.

The escort service is operated by VAVS. There are two paid employees (a dispatcher and a runner) and 42 volunteers. It operates daily from 8 a.m. to 5 p.m. The volunteers also provide clerical support, answer phones, and aid in the pharmacy mailouts when they are not on a call.

Most of the youth volunteers are active in the summer months. There were 25 youths last summer. Eleven of them were from a school that sponsors a credit course for their students.

The Chief of VAVS is also responsible for community public relations. She has been able to establish a good rapport with the local media. This has enhanced the medical center's standing in the community and improved overall relations with the local media.

III. CONCLUSIONS

This VAMC continues to operate at limited capacity. Over 100 beds have been closed for the past five years during various construction and renovation projects. One of the most disruptive projects (seismic reenforcement) has been completed, but there are mixed feelings regarding its success. By eliminating one potential problem, it seems to have created another. Water leakage has been a common occurance since the seismic construction. VACO is aware of this problem, but it was unknown at the time of the visit if it was the result of a construction or design deficiency.

An exemption from the RAM has been extended due to the ongoing construction. There were mixed reactions from those queried regarding its future use. Some were unaware of what impact the RAM would have. One physician stated that if provided all the equipment necessary to run an efficient operation, he could make money for the VA. The paradox is that the VA is not funded adequately to meet this goal at all VAMCs. Most people were of the opinion that the RAM is not suitable for VA use. Too many variables exist when treating veterans that do not exist within the private sector. The fact that the VA works on a regional basis makes it more difficult and lengthy to make patient dispositions. Also, there are many VA programs developed before the RAM. They do not fit into the scheme of the RAM, but VACO includes them in the process, thus, placing pressure on the VAMC's administration to mold a program to make money.

There were many complaints throughout the survey regarding a shortage of usable space. Some of the space deficiencies will be improved once the clinical addition is completed. The scheduled completion date is in November, 1987.

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Additional space will be realized when the 60-bed nursing home care unit (NHCU) is constructed in 1988. The building would also house a day hospital and the mental hygiene clinic (MHC). The MHC space in Building 1 would be backfilled with other hospital activities.

There is a tentative plan to add a third floor to the NHCU for a new surgical suite. The present operating area was designed about 25 years ago. Many changes in medicine have evolved that make the operating suite obsolete for the 1980s. Improvements within its current location would be very limited due to lack of space. There would also be a disruption of services if renovations were performed. This entire project is in jeopardy due to the proposed Gramm-Rudman-Hollings bill. If this bill is enacted into law, construction funds could evaporate.

The GS 11-15 reduction is having a negative impact on recruitment and retention. A vacancy in this employee category cannot be filled. Employees, expecting to be promoted after their probation, are frozen at their current salaries. Creative hiring techniques have not been successful. Some good candidates have been lost becaue of this OMB mandate.

A hospital based home care (HBHC) proposal has been submitted to VACO on a number of occasions. To date they have been rejected. This program has proven to be cost effective while keeping veterans at home with their families. During the last proposal submission, 41 veterans placed in community nursing homes would have qualifed for this program.

The unit dose drug distribution system is expected to be included with the activation of the clinical addition. It will greatly enhance the pharmacy employees' ability to provide quality service while maintaining better drug control. The ward stock system leaves itself open to abuse and pilferage.

A supply of hearing aids needs to be established locally. The means are available to conduct hearing evaluations. The current program is for veterans to travel to VAMC Columbia, South Carolina. This two and a half hour drive is a hardship for many older veterans and their families. The timeliness of receiving a hearing aid would be improved markedly.

The ADP is functioning fairly well. Future expansion is being dictated by OMB. They have frozen the necessary funds to procure additional equipment. An uninterrupted power source is a vital need. Damage has already occurred to memory boards due to power surges. A Halon gas extinguisher system is also needed. While admittedly more expensive than water, it will not destroy the ADP equipment if it is used.

Despite the many adversities encountered over the last few years, good care is provided to veterans. The employees appeared very dedicated in their performance of duties. No complaints regarding patient care were received from those veterans and family members questioned.

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IV. RECOMMENDATIONS

Background data and assessment on the following recommendations for this VA health care facility can be found in the Observation and Conclusion sections of this report. The American Legion presents the following recommendations to VA Central Office for the purpose of addressing and correcting deficiencies observed during the course of this survey.

1. Provide the staff and funding necessary to establish a Hospital Based Home Care Program.

2. Provide the means to establish a supply of hearing aids.

3. Study the feasibility of replacing the surgical suite as part of a future construction project.

4. Provide the staff and funding necessary to implement the unit dose drug distribution system.

5. Provide the funding necessary to install a Halon gas fire extinguishing system and an uninterrupted power source for the ADP room.

Hospital Management concurs with these recommendations.

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The American Legion FSR: No. 5-075

THE AMERICAN LEGION
VETERANS ADMINISTRATION MEDICAL CENTER VISITATION STATISTICAL REPORT

LOCATION: Charleston, SC DATE OF INFORMATION 11/22/85

MEDICAL CENTER DIRECTOR J. Fred Hoefer, Jr.

ASSOCIATE MEDICAL CENTER DIRECTOR Michael M. Walton

ASSISTANT MEDICAL CENTER DIRECTOR

CHIEF OF STAFF Robert A. Boudet, M.D., Ph.D.

MEDICAL SCHOOL AFFILIATION Medical University of South Carolina

	CURRENT FY 1986	LAST FY 1985
HOSPITAL BED CAPACITY	401	401
HOSPITAL OPERATING BEDS	280	287
AVERAGE DAILY CENSUS (thru October)	219	225
TOTAL OUTPATIENT VISITS	6,371	74,120
NHCU BEDS	N/A	N/A
SCHEDULED FOR ADMISSION:		
SERVICE-CONNECTED / NONSERVICE-CONNECTED	66 - not broken down by SC/NSC	
WAITING LIST (ALL BED AREAS):		
SERVICE-CONNECTED	None	
NONSERVICE-CONNECTED		

EXPLAIN THE REASON FOR THE WAITING LIST:

VA FORM 10-10 APPLICATIONS FOR MEDICAL CARE:

RECEIVED LAST FISCAL YEAR 18,475

NUMBER OF APPLICATIONS ACCEPTED 18,143

NUMBER OF APPLICATIONS REJECTED 332 (93 not in need; 239 cancelled)

RECEIVED THIS FISCAL YEAR 1815

NUMBER OF APPLICATIONS ACCEPTED 1786

NUMBER OF APPLICATIONS REJECTED 29

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TOTAL NUMBER OF REQUESTS FOR DISABILITY EVALUATION EXAMINATIONS (2507) ON HAND WHICH HAVE NOT BEEN COMPLETED AND RETURNED TO VA REGIONAL OFFICE: 73 (as of 11/1)
<30 days - 61
OVER: 30 DAYS 9 60 DAYS 3 90 DAYS 0 180 DAYS 0

HOSPITAL SUMMARIES PENDING:
UNDICTATED 8 AWAITING SIGNATURES 225
UNTRANSCRIBED ____ TOTAL OVER: 10 DAYS 0 30 DAYS 0

STAFF

TOTAL VAMC PERSONNEL (FTEE) 808.5 on board 11/23/85
832.2 CORE RATIO
AUTH FY 86

STAFF PHYSICIANS (FTE) 37.29 PHYSICIAN EXTENDERS 1 Nurse Practitioner
1 Nurse Clinical Specialist

CONSULTANTS & Attendings 186 ATTENDINGS

RESIDENTS 73 - Paid MEDICAL STUDENTS 330
243 - Nonpay

MAJOR PERSONNEL VACANCIES

PHYSICIANS (BY SPECIALTY) .8 Otolaryngologist
1.0 Radiologist - 1.1 Nephrology

REGISTERED NURSES 9.1

LICENSED PRACTICAL/VOCATIONAL NURSES

NURSING ASSISTANTS 0

OTHERS 1.0 Physicial Therapist
1.0 Asst. Chief, Bldg. Mgmt Total 6.3
.8 Psychologist
3.5 Mental Hygiene

FUNDS

AVERAGE COST PER PATIENT DAY $322.68

AVERAGE COST PER OUTPATIENT VISIT 37.56

AVERAGE COST PER NBCU DAY

AVERAGE COST PER PATIENT DAY IN COMMUNITY NURSING HOMES $62.16

MEDICAL CENTER BUDGET ALLOCATION:
FY 86THIS FISCAL YEAR: RECURRING 32,897.344
NONRECURRING 5,185.296
FY 85 LAST FISCAL YEAR: RECURRING 31,462,835
NONRECURRING 6,201,580

(Revised October 1, 1983)

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STATEMENT OF THE VETERANS ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT

AND INVESTIGATIONS

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

APRIL 23, 1986

Mr. Chairman and Members of the Subcommittee:

I am John Vogel, Chief Benefits Director, and it is a pleasure to appear before you this morning to discuss our efforts toward colocation of VA regional offices on medical center grounds. With me is Dr. John Gronvall, Deputy Chief Medical Director, who will present VA plans to declare excess to Agency needs certain real property in California.

With regards to the issue of colocation, in 1983, the Agency through the Department of Veterans Benefits (DVB) and the Department of Medicine and Surgery (DM&S) surveyed all medical centers to determine if suitable land for construction and/or buildings satisfactory for housing DVB activities were available. As a result of this survey, medical centers with potentially suitable buildings or available land were matched with appropriate regional office activities. A number of factors influenced decisions made in developing plans for colocation. Of primary importance was the timeframe within which existing buildings could be made available for renovation or would become available as a result

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of new hospital construction. Also, we considered the condition of the existing physical plant of potentially available buildings for the regional office activity, including health and safety factors, working conditions, need for realignment or renovation to enhance operations, and any impending increase in rent. Our concern is to minimize total federal costs, whether for leased or federally-owned property, by creating cost savings for VA without creating an excess of GSA-owned or long-term leased property.

As a result of this process, we identified 28 sites for consideration as colocation projects. Of these sites, 25 are being further developed as possible major construction projects (i.e., estimated project cost of $2 million or more). They are:

REGIONAL OFFICE	TO	MEDICAL CENTER
Fargo		Fargo
Wichita		Wichita
New York		St. Albans, Brooklyn or Northport
Newark		East Orange
Reno		Reno
St. Paul		Minneapolis
Chicago		Hines
Des Moines		Des Moines or Knoxville
Los Angeles		Los Angeles
Winston-Salem		Salisbury
St. Petersburg		Bay Pines
Houston		Houston
Montgomery		Montgomery

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REGIONAL OFFICE (Cont'd)	TO	MEDICAL CENTER (Cont'd)
Boston		Boston or Brockton
Detroit		Detroit or Allen Park
Hartford		Newington
Cleveland		Cleveland (Brecksville)
Boise		Boise
Columbia		Columbia
Indianapolis		Indianapolis
Lincoln		Lincoln
Manchester		Manchester
Roanoke		Salem
St. Louis		St. Louis
Phoenix		Phoenix

The three other identified locations (Milwaukee, Little Rock, and San Francisco) have been deleted from the major construction planning because

- The Milwaukee regional office has been colocated on the Wood, Wisconsin medical center grounds in a renovated building as a minor construction project (i.e., estimated project cost of $2 million or less).

- The Little Rock regional office is in the planning stages as a minor construction project for renovation of an existing building at the North Little Rock medical center with an anticipated project completion date of April 1988.

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- The San Francisco regional office colocation to either Livermore or Palo Alto was determined to have too many obstacles involving site location; seismic problems in existing buildings considered under the renovation option; client accessibility problems because of the distance from the main urban centers serviced by the regional office; the cost of housing in the area for employees who may have wished to relocate; and the higher than normal estimated loss of workers because of these problems.

Of the remaining 25 possibilities, it is stressed that the final determination as to whether to colocate must rest on the completion of economic analyses required by OMB Circular A-104; the priority of colocating projects versus other VA major construction projects; the expected savings for operating expenses; and an assessment of the total costs to the Government on choosing the colocation option. To date, eight studies have been undertaken. These studies, which are now being reviewed internally, have included an analysis of the costs for leasing, purchase and construction alternatives. They compare present worth values of alternatives based on OMB Circular A-104, requiring all predicted costs associated with the different alternatives be calculated for a given number of years and discounted to the present. Only factors which can be measured in dollars are included. The analysis deals with differing costs and attempts to relate them as a basis for making decisions.

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Preliminary indications are that in some cases, VA construction, either new construction or renovating an existing building, may be more economical to the VA than continuing to lease space from GSA.

Possible return of our Fargo and Wichita Regional Offices to VA Medical Center grounds has been given immediate priority. In each case, the Fargo regional office and Fargo medical center and Wichita regional office and Wichita medical center are administratively combined and designated as VA Medical and Regional Office Centers with both DVB and DM&S elements reporting to a single director. Space is available at both locations for construction of a DVB building. Regional office activities were originally physically located at these medical centers, but were later separated to alleviate space deficiencies brought about by expanding medical related functions. Separation was the only alternative at that time. With GSA's assistance in 1979, the Fargo DVB elements were moved into an old post office building on an "as is" condition. The regional office activities at Wichita were relocated into a leased building in 1978.

For both regional offices, economic analyses are being updated for review to assist the Agency in determining the possible inclusion of both projects in the FY 1988 major construction budget.

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A colocation agreement was signed by the Chief Benefits Director and the Chief Medical Director on November 5, 1980, to colocate the Houston Regional Office with the Houston Medical Center. This agreement was based on the fact that existing medical center buildings to house DVB activities would be available upon completion of the replacement hospital, currently scheduled for December 31, 1990. GSA was notified of our intent to relocate the regional office to medical center grounds and voiced no objections as long as VA coordinate the timing of colocating with the expiration of GSA leases. An economic analysis, which would include evaluating costs of continuing to lease private space, is now being internally reviewed.

An economic analysis for the proposed colocation of the St. Paul Regional Office and Insurance Center with the VA Medical Center Minneapolis was completed February 13, 1985. This study included the colocation of the regional office, insurance program and data processing center functions. With the closing of the St. Paul Data Processing Center on February 28, 1986, and our proposed consolidation of the Insurance Program to the Philadelphia VA Regional Office and Insurance Center, a new study addressing only the regional office requirements is needed to determine the cost effectiveness of colocating the St. Paul VARO with VAMC Minneapolis.

We have been successful in colocating our Milwaukee Regional Office with VA Medical Center, Wood, Wisconsin. This colocation, completed in October 1983, was made possible through the

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restoration of an existing building on the medical center grounds. Although this colocation produced an improved situation for the veteran and this Agency, GSA has been unable to back-fill the space that was to be occupied by the VA.

In addition to the regional offices in Fargo, ND; Wichita, KS; St. Paul, MN; San Francisco, CA; and Milwaukee, WI; we are in the preliminary stages of addressing the colocation possibilities involving the regional offices in New York, NY; Newark, NJ; Montgomery, AL; Reno, NV; St. Petersburg, FL; and Los Angeles, CA. Identified in the 1983 DVB and DM&S survey of potential colocation sites, these stations are considered promising possibilities because of the age and conditions of the current locations, the escalating rent payable to the General Services Administration, and the potential service benefits to clients, the Agency and the Government as a whole.

Colocations should promote the efficiency of VA operations in the areas of supply, protection and security, transportation and communications, and workforce morale. The Agency's clientele will benefit from the availability of one-stop service.

GSA has no problem with colocation of functions where such action is cost effective and in the decision-making process consideration is given to the impact such actions will have on GSA-held work space. VA in turn will generally only pursue colocation at those sites where colocation is economically beneficial for the Government as a whole.

7.

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We are progressing positively toward a successful program of colocating regional offices on medical centers and we wish to continue working with the Committee in furthering our abilities to service the veterans of this country.

Mr. Chairman, this concludes my statement. I will now introduce Dr. John A. Gronvall, Deputy Chief Medical Director, to address the issue of excessing VA-owned land. I will be pleased to respond to any questions that you or Members of the Subcommittee may have after the completion of Dr. Gronvall's statement.

Mr. Chairman, in 1983, the General Services Administration conducted land use surveys at the VA medical centers at West Los Angeles and Sepulveda, California. These surveys led GSA to conclude that certain parcels of property at these two medical centers were either not utilized, underutilized, or not being put to optimum use and should be disposed of through the established processes.

Late last year, as part of the formulation process for the FY 1987 budget, the Administration developed proposals (as part of the Government-wide real property management initiative provided for by Executive Order 12512) to sell unneeded Federal property. This initiative, which became part of the administration's 1987 budget submission, included a recommendation for disposal of 109 acres at West Los Angeles and 46 acres at Sepulveda.

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Fundamentally, we agree that where we can be reasonably certain that property is not required to meet our mission now and in the future, it should be made available for use by other elements of government or sold.

As you are aware, the VA notified Congress on February 5, 1986, of its intent to declare certain property at West Los Angeles and Sepulveda as excess to its needs. However, the new Administrator pledged to reevaluate this declaration to be certain that an adequate assessment of VA's future requirements is made prior to turning any land over to GSA. Accordingly, a VA task force was formed to ensure that all relevant data and information concerning VA's present and projected future (to the year 2010) space requirements at these sites are collected and comprehensively analyzed. The task force conducted an onsite investigation of these two sites March 17-25, 1986. Currently, a report is being finalized by the group based on the data collection effort and the Department heads are currently reviewing the information which has been collected. The Administrator will be making a decision in the near future regarding the issue of disposal of the land in question and will advise the Committee as soon as a decision has been reached.

It should be noted, however, that the Veterans Administration does not support H.R. 4204, which is now pending before your Committee, which would prohibit the excessing of these lands at West Los Angeles and Sepulveda Medical Centers. As already indicated, a reevlaution of the proposed excessing is underway, and land necessary for future VA needs will not be excessed. The subject legislation would, however, unduly limit the Administrator's discretion to manage VA property efficently in the best interest of both the VA and the taxpayers.

Mr. Chairman, this concludes my statement. I will be pleased to respond to any questions that you or Members of the Subcommittee may have.

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Associate Deputy
Administrator for Logistics

Washington, D.C. 20420

MAR 20 1986

Veterans
Administration

MAR 18 1986

Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

In response to your letter of March 10, 1986, I am pleased to provide a copy of the West Los Angeles VA Medical Center Director's initial comments in response to the proposed excessing of land at the West Los Angeles Medical Center. I obtained this memorandum from the Department of Medicine and Surgery. The Chief Medical Director's explanatory note is also enclosed.

It should be noted that these comments were submitted on December 28, 1986, before the actual GSA surveys were received and reflect a response to a Central Office request for a quick, first assessment. As you know, now that we have the actual surveys, we will be comprehensively reviewing them onsite at both West Los Angeles and Sepulveda. This evaluation will be made in the context of the current and future needs of VA Medical Centers and the program plans of the Departments of Veterans Benefits and Memorial Affairs, and will provide us the indepth assessment needed to fully reflect VA's land needs at both sites.

The VA's land utilization team is currently in California and we hope to have their completed report in early April. We will be pleased to inform you of their findings once the review is completed.

Sincerely,

SUSAN LIVINGSTONE
Acting Associate Deputy Administrator
for Logistics

Enclosures

"America is #1—Thanks to our Veterans"

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Veterans Administration

Memorandum

Date: March 18, 1986

From: Chief Medical Director (10)

Subj: Proposed Excessing of Property - VAMCs West Los Angeles and Sepulveda, California

To: Associate Deputy Administrator for Logistics (005)

Attached is a copy of a December 28, 1985 memo from the Director of the West Los Angeles VAMC commenting on the impact of excessing land at that facility. It is important to understand the context within which the memo was prepared. The Directors of both Medical Centers strongly opposed excessing any property until such time as we could assess the future needs of the facilities, the Department of Medicine and Surgery and other VA offices. However, we asked the Director of our West Los Angeles facility to provide us with a priority listing in case we were directed to excess property at that facility. Although reluctant to do so, the Director provided us with his initial thoughts without the opportunity for a thorough review.

John A Gronvall, for

JOHN W. DITZLER, M.D.

VA FORM SEP 1984 2105

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Mailman message for Piper, Mansel
Printed at VACO- 30 Dec 85 05:57
Subj: WHite Paper-VA WLA Medical Center Property
From: Anderson, William K. 81 Lines in 'IN' basket

1. Purpose: To provide status of VA Medical Center, WLA property as requested by Office of Regional Director.
2. Background: The West Los Angeles VA Medical Center has a long and colorful history. To disturb the present green oasis and quiet pastoral beauty in the middle of the West Los Angeles area would be devestating. In 1887 Congress passed an act that established the Pacific branch of the National Home for Disabled Volunteer Soldiers. The site selected contained 300 acres straddling the border between two old Mexican land grant properties. Their owners, John Jones and Arcadia De Baker and the LA Land and Water Company agreed to contribute the land, a Cash note of $100,000 for improvements and a 5 acre water source that could supply 12,000 gallons per day. Later on the money supply fizzled out and the Land and Water Company substituted the donated land for the note. This brought the total to almost 700 acres. This has been subsequently pared down by acreage given for the Federal Building, the Department of Memorial Affairs, military installations, Post Office and the City of Los Angeles. The Medical Center now occupies 422 acres.

Over the years hardly a month goes by that there hasn't been some inquiry by local and national entrepeneurs to have access to the property either by lease or purchase. These include bulding high rise, low income rentals and high income rentals, shopping malls, condominiums, driving ranges, baseball batting cages to name a few. As long as the property remains intact we have had good rapport with the home owners association to the north and south of the property. They have active groups who ask us to inform them of any changes in the use of the property. We also know that the heirs of the original donors have retained an attorney whose main objective is to insure that the property is utilized exclusively for veteran activities. The local service organizations have also expressed great interest in maintaining the property in its present state. In a letter to Mr. R. E. Lyngh, Director, National Veterans Affairs & Rehabilitation Commision, American Legion in December 1983 the Administrator of Veterans Affairs wrote, "Let me assure the American Legion and confirm what was expresed in my letter to you of May 25, 1983, that no property disposal or leasing action will be taken by the VA that would either jeapordize the government's title to any land or diminish the quality of medical care to the veterans at the West Los Angeles Medical Center."
3. Considerations:
A. Excessing of VA property which could otherwise accomodate VA and other Federal agency needs currently occupying leased space would not appear to be cost effective. Examples of this are the Regional Office and the Offices of the District Counsel. We propose that it would be cost effective over the long term to relocate these functions and others that may be identified onto VA property. Tentative plans are to relocate the Regional Office in FY 1988. Current cost of leased space for this activity in the Federal Building approximates $4 million per year. It may be of interest to note as previously mentioned that the Federal Building was constructed on property previously owned by the VA. We have tentatively identified 10 acres bounded by Wilshire & San Vincente Blvds. for this use.
B. We have within the week received documents citing severe seismic and safety deficiencies in a number of occupied and highly used buildings. The impact of these findings have not yet been determined. It is very likely that the functions in these buldings will require temporary if not permanent relocation as corrective measures are taken.

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C. Recruitment and retention of employees at this Medical Center has been a concern for several years. As an employment inducement efforts have been made to establish an on grounds day-care center for employee children. Establishing such a facility involves significant cost and regulatory compliance. We have had recent discussion with the Administrator of such a program located on the property of our UCLA affiliate. This program is in need of relocation. It would be in the interest of this Medical Center to provide space on our property to relocate this facility which is fully certified. Arrangements could be made to accomodate children of VA employees in the program as part of the relocation agreement. Approximately 5 acres is required.
D. It is essential that sufficient VA property be maintained as a perimeter buffer zone between the Medical Center and the surrounding community. The commercial growth and high density housing immediately adjacent to the VA property as it presently exists is already creating traffic passing thru the grounds which is potentially hazardous to patients having ground privileges. We receive complaints from neighbors when patients wander from the grounds onto private property. We have a very active research program involving the use of animals that are potentially vulnerable to acts of those who object to such research uses. An appropriate buffer area is needed to aid in our protection of VA property.
This transmission will be continued with -- proposal:

Mailman message for Piper, Mansel
Printed at VACO 30 Dec 85 05:58
Subj: White Paper - VA WLA Medical Center Property (continued) 28 Dec 85
From: Anderson, William K. 25 Lines in 'IN' basket

4. Proposal:
A If it is essential and we are directed to excess any property the following parcels are identified. Acreage is approximate.

(1) 60 acres on the north end of the property. This consists of 8 acres that has been promised to Memorial Affairs, 1.6 acres leased as a commercial parking lot, 1.9 acres leased to the Brentwood School and 13 acres leased to Los Angeles Parks and Recreation. This would only leave approximately 35.4 acres to be excessed.
(2) 10 acres along Wilshire and San Vincente Boulevards which we have identified as a site for the LA Regional Office.
(3) 30.4 acres on the south side of Wilshire which parallels Ohio Avenue and extends to the western portion of the property. This is property identified as a site for a child care center and makes an excellent buffer from the commercial area.
(4) 3.0 acres abutting the Wilshire off-ramp which is called Palm Gardens. In this area are palms from all over the world which were brought to veterans who resided at the Home by sailor friends who came into the port of Los Angeles.
(5) 14 acres transferred to Memorial Affairs which is just west of Freeway 405 and is really internal property and excessing for commercial use would really be disruptive.

Without knowing what acres were identified in the GSA recommendations we have identified the above 114.4 acres. To excess them would not be beneficial to good patient care.

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COST ANALYSIS FOR AREAS CURRENTLY UNDER CONSIDERATION FOR COLLOCATION

Of the 23 locations currently under consideration for collocation of DVB regional offices to medical center grounds, economic cost analyses (OMB Circular A-104) have been undertaken for six (seven if one counts the Des Moines A-104 studies as two) of the sites. These sites are Fargo, ND (to VAMC Fargo); Wichita, KS (to VAMC Wichita); St. Paul, MN (to VAMC Minneapolis); St. Petersburg, FL (to VAMC Bay Pines); Des Moines, IA (to either VAMC Des Moines or VAMC Knoxville); and Houston, TX (to VAMC Houston). Of these six sites, the economic cost analyses have been fully completed for Wichita and Fargo with a DVB determination that construction of a regional office on medical center grounds is the preferred alternative. Copies of these two completed economic cost analyses are appended. Of the remaining four studies, the data have been compiled and compared, and the studies are currently under review by DVB, except for the St. Paul study which will need to be redone because of the recent closure of the VA's St. Paul Data Processing Center and DVB's proposed consolidation of insurance operations at the VA Regional Office and Insurance Center, Phidelphia.

In addition to these economic cost analyses, the VA has completed three other economic cost analyses for San Francisco, CA (to VAMC Palo Alto-Menlo Park), Togus, ME (to VAMC Togus); and Little Rock, AR (to VAMC North Little Rock). The San Francisco A-104 study, despite the favorable results of the renovation option, resulted in a decision by DVB to not go forward with the project because of the enormous difficulties presented by seismic problems in the existing buildings considered under the renovation option; client accessibility problems; the cost of employee housing; and the higher than normal estimated loss of DVB employees which would result from the relocation. With respect to the Togus study, the build option was found to be cost effective, the project was funded in FY 1981, and it was completed in March, 1985. The Little Rock study concluded that renovation at VAMC North Little Rock is the most cost beneficial approach and a minor construction project is currently proposed for renovation of Building No. 65 at VAMC North Little Rock for the DVB regional office. The DVB regional office in Little Rock currently occupies 50, 690 square feet of GSA space at an annual cost of $559,893. Copies of these A-104 studies are also appended.

For the remainder of 1986, the VA plans to complete or initiate additional economic cost analysis studies for the following sites: Newark, NJ (to VAMC East Orange); New York, NY (to VAMCs St. Albans, Brooklyn or Northport); Montgomery, AL (to VAMC Montgomery); and Reno, NV (to VAMC Reno).

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Economic Analysis
WICHITA, KANSAS
REGIONAL OFFICE BUILDING
OCTOBER 17, 1985

Purpose: To find the present worth values of the estimated variable costs of two alternatives for providing a Regional Office Building in Witchita Kansas.

Alternative	Description
1	Build a Regional Office Building at Wichita, Kansas
2	Lease a suitable existing building

Note: Variable costs are those costs which would be different for different alternatives.

General Information:

a. This economic analysis has been made in accordance with the procedures set forth in OMB Circular A-104, dated June 14, 1973. Like all such analyses, it is conditional in nature. It is based upon information currently available as the result of investigations made by appropriate VA organizational elements concerning the availability and lease or purchase costs of existing buildings, etc., and upon differences in operating and other conditions as described in this report.

b. Even if all of the assumptions made in this study are 100% correct today, there is no assurance that they will still be valid a year or two from now when the agency will first be in a position to make binding commitments concerning leasing a building.

c. For any build alternative there will be some residual value at the end of the study period, and there will be availability of physical plant for government use at the end of the study period.

d. It is imperative that this analysis be regarded and used as a tool and not as a substitute for informed good judgment in the decision-making process.

Exclusions. The following costs, which are or are assumed to be equal for all alternatives, are excluded from the calculations:

a. Utilities
b. Fuel for thermal needs
c. Janitorial services
d. Maintenance

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Notes:

a. We have prepared a Present Worth Analysis based on a 20 and 30 year duration, as requested by Space Management Staff. The analysis uses a 7% discount rate in accordance with OMB Circular A-104.

b. The area required for Alternative 1 is 56,574 GSF, and Alternative 2 is 50,288 NRSF.

c. The area of land required for Alternative #1 is 2.04 acres. The cost of land for computing residual values for Alternatives #1 is $67,039/acre.

d. The cost of the building, and surface parking for Alternative 1 is $89.58/GSF.

e. The cost of leasing a building is $12.50/NRSF; however, with the maintenance deleted, the lease payment becomes $12.02/NRSF.

Conclusion:

As can be seen in the following chart, building a new facility at the medical center offers the least costly route with the leasing of a existing building the most expensive - even if salvage values are included deleted. It should be noted that monies have not been added for initial alterations for the the Leasing Alternative. The analysis' sensitivity to an increase of the discount rate (to 10%) decreases the gap between the Alternatives (including salvage). However, the results are as above.

MMARY OF PRESENT WORTH VALUES			DATE: 10/17/85
LOCATION: Wichita, Kansas			
PROJECT TITLE: Regional Office Building			PROJECT NO.: 452-051
SENSITIVITY:		BUILD	LEASE
All at Base Condition of 7% Discount:			
20 years	Build	$5,584,315	-0-
	Lease	-0-	6,403,677
	-Salvage	972,998	-0-
	Total	$4,611,317	$6,403,677
30 Years	Build	$5,655,730	-0-
	Lease	-0-	7,500,792
	-Salvage	-424,855	-0-
	Total	$5,230,875	$7,500,792

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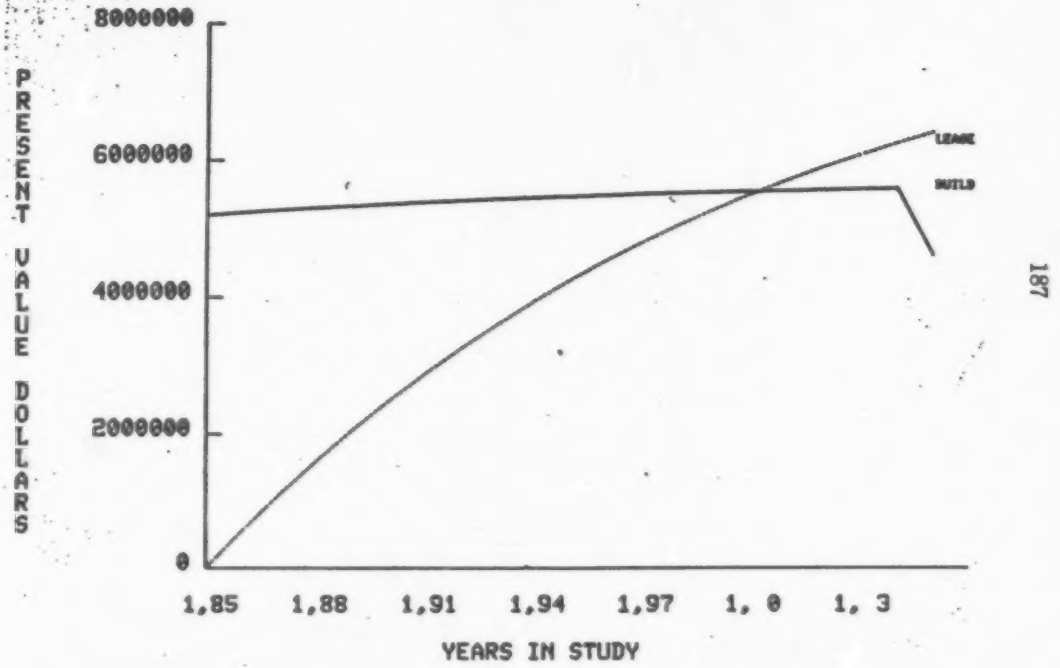
LIFE CYCLE COST ANALYSIS
BUILD AND LEASE ANALYSIS FOR VAROB AT WICHITA,KS.



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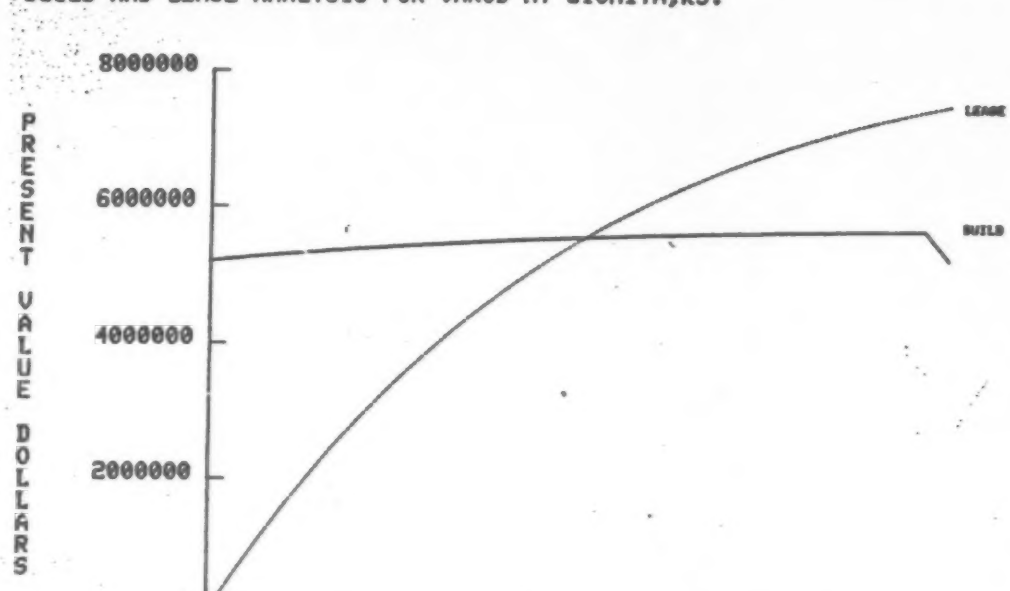
LIFE CYCLE COST ANALYSIS
BUILD AND LEASE ANALYSIS FOR VAROB AT WICHITA,KS.



188

Economic Analysis
Regional Office Building
VAMC FARGO, NORTH DAKOTA
OCTOBER 17, 1985

Purpose: To find the present worth values of the estimated variable costs of two alternatives for providing a new Regional Office Building in Fargo, North Dakota.

Alternative

#1	Build a new Regional Office Building at Fargo, North Dakota
#2	Lease a suitable existing building

Note: Variable costs are those costs which would be different for different alternatives.

General Information:

a. This economic analysis has been made in accordance with the procedures set forth in OMB Circular A-104, dated June 14, 1973. Like all such analyses, it is conditional in nature. It is based upon information currently available as the result of investigations made by appropriate VA organizational elements concerning the availability and lease or purchase costs of existing buildings, etc., and upon differences in operating and other conditions as described in this report.

b. Even if all of the assumptions made in this study are 100 percent correct today, there is no assurance that they will still be valid a year or two from now when the agency first will be in a position to make binding commitments concerning leasing a building.

c. For any build alternative, there will be some residual value at the end of the study period, and there will be availability of physical plant for government use at the end of the study period.

d. It is imperative that this analysis be regarded and used as a tool, and not as a substitute for informed good judgment in the decision-making process.

Exclusions: The following costs, which are or are assumed to be equal for all alternatives, and are excluded from the calculations:

a. Utilities
b. Fuel for thermal needs
c. Janitorial Services
d. Maintenance

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Notes:

a. We have prepared a Present Worth Analysis based on 20 and 30 year durations, as requested by Space Management Staff. The analysis uses a 7% discount rate in accordance with OMB Circular A-104.

b. The area required for Alternative 1 is 32,670 GSF and Alternative 2 is 29,040 NRSF.

c. The area of land required for Alternative 1 is 1.57 acres. The cost of land for computing residual values for Alternative #1 is $196,020/acre.

d. The cost of the building, and surface parking for Alternative 1 is $97.12/GSF.

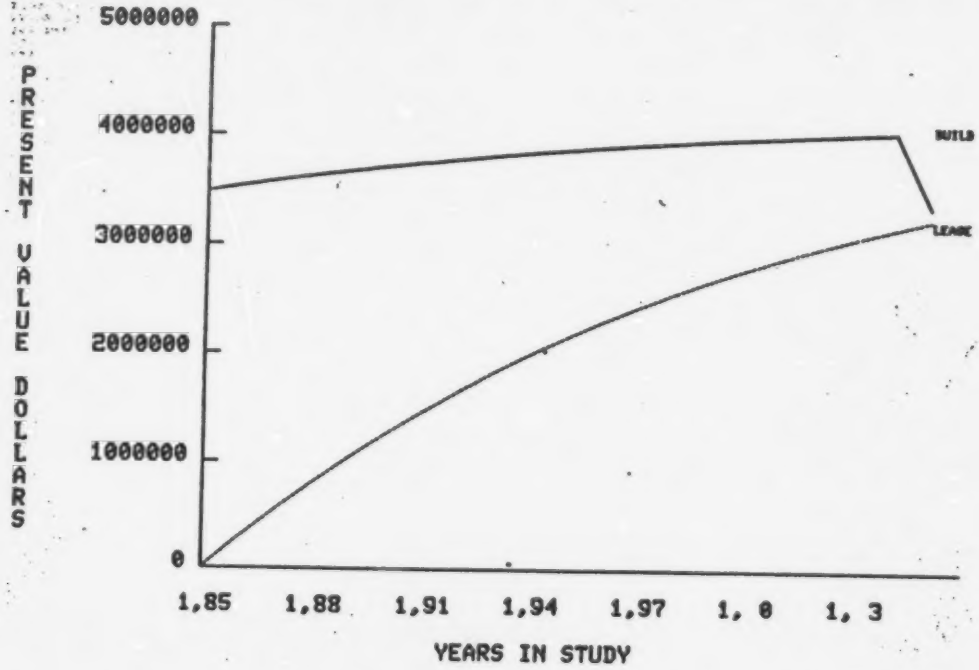
e. The cost of leasing a building is $11.00/NRSF; however, with the maintenance deleted, the lease payment becomes $10.58/NRSF.

Conclusion:

As can be seen in the following chart, leasing of an existing building offers the least costly route with the construction of a new building the most expensive - if salvage values are included. It should be noted that monies have not been included for initial alterations to the leased building. The analysis' sensitivity to a decrease in the discount rate shows a direct proportion to the closing of the gap between the two alternatives.

SUMMARY OF PRESENT WORTH VALUES			DATE: 10/17/85
LOCATION: FARGO, NORTH DAKOTA			
PROJECT TITLE: Regional Office Building			PROJECT NO: 437-041
SENSITIVITY:		BUILD	LEASE
All at Base Condition of 7% Discount:			
20 years	Build	$4,048,264	-0-
	Lease	-0-	$3,254,939
	-Salvage	- 678,807	-0-
	Total	$3,369,457	$3,254,939
30 years	Build	$4,154,856	-0-
	Lease	-0-	$3,812,594
	-Salvage	- 307,849	-0-
	Total	$3,847,007	$3,812,594

LIFE CYCLE COST ANALYSIS
BUILD AND LEASE ANALYSIS FOR VAROB AT FARGO,N.D.



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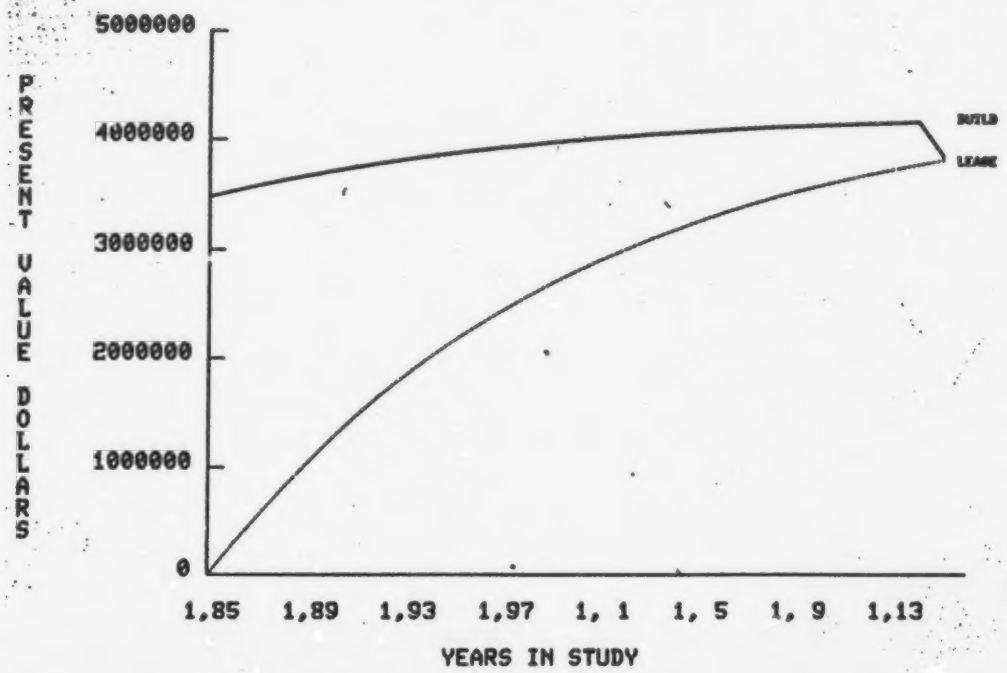
LIFE CYCLE COST ANALYSIS
BUILD AND LEASE ANALYSIS FOR VAROB AT FARGO,N.D.



Economic Analysis
SAN FRANCISCO, CA
REGIONAL OFFICE BUILDING
FEBRUARY 12, 1986

Purpose: To find the present worth values of the estimated variable costs of three alternatives for providing a new Regional Office Building in San Francisco, California.

Alternative	Description
1	Build a new Regional Office Building at VAMC Palo Alto (Menlo Park), California
2	Renovate Buildings Nos. 105 and 205 at VAMC Palo Alto (Menlo Park), California
3	Leasing an existing building

Note: Variable costs are those costs which would be different for different alternatives.

General Information:

a. This economic analysis has been made in accordance with the procedures set forth in OMB Circular A-104, dated June 14, 1972 and the recommendations of the Economic Cost Analysis Task Force. Like all such analyses, it is conditional in nature. It is based upon information currently available as the result of investigations made by appropriate VA organizational elements concerning the availability and lease or purchase costs of existing buildings, etc., and upon differences in operating and other conditions as described in this report.

b. Even if all of the assumptions made in this study are 100% correct today, there is no assurance that they will still be valid a year or two from now when the agency will first be in a position to make binding commitments concerning leasing a building.

c. For any build alternative there will be some residual value at the end of the study period, and there will be availability of physical plant for government use at the end of the study period.

d. It is imperative that this analysis be regarded and used as a tool and not as a substitute for informed good judgment in the decision-making process.

Exclusions. The following costs, which are or are assumed to be equal for all alternatives, are excluded from the calculations:

a. Utilities
b. Fuel for thermal needs
c. Janitorial Services
d. Maintenance

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Notes:

a. We have prepared a Present Worth Analysis based on a 20 and 30 year duration, as requested by Space Management Staff. The analysis uses a 7% discount rate in accordance with OMB Circular A-104.

b. The area required for Alternative 1 is 113,941 GSF, Alternative 2 is 109,405 GSF, and Alternative 3 is 101,281 NRSF.

c. The area of land required for Alternative 1 is 4 acres. The cost of land for computing residual values for Alternatives #1 and #2 are $60,032/acre.

d. The cost of the building, surface parking, and utilities for Alternative 1 is $124.60/GSF, and the cost of renovating, parking and utilities for Alternative 2 is $82.67/GSF.

e. The cost of leasing, less maintenance cost at 4%, is $18.08/NRSF.

Conclusion:

As can be seen in the following chart, renovating buildings 105 and 205 offers the least costly route with the leasing of an existing building the most expensive. It should be noted that even if the salvage value for the build and renovation options were deleted, the ranking would not change. Also, monies have not been added for initial alterations, additional FTE or transportation in the lease option (if they pertain) which would widen the gap between the lease and build options.

SUMMARY OF PRESENT WORTH VALUES		DATE: 02/12/86		
LOCATION: SAN FRANCISCO, CALIFORNIA				
PROJECT TITLE: Regional Office Building		PROJECT NO.: N.A.		
SENSITIVITY:		BUILD	RENOVATE	LEASE
All at Base Condition of 7% Discount:				
20 years	Build	$18,672,672	-0-	-0-
	Renovate	-0-	12,982,290	-0-
	Lease	-0-	-0-	$19,399,344
	-Salvage	- 3,486,522	- 2,549,471	-0-
	Total	$15,186,150	$10,432,819	$19,399,344
30 years	Build	$19,022,304	-0-	-0-
	Renovate	-0-	13,230,883	-0-
	Lease	-0-	-0-	22,722,944
	-Salvage	- 1,641,680	- 1,240,278	-0-
	Total	$17,380,624	$11,990,605	$22,722,944

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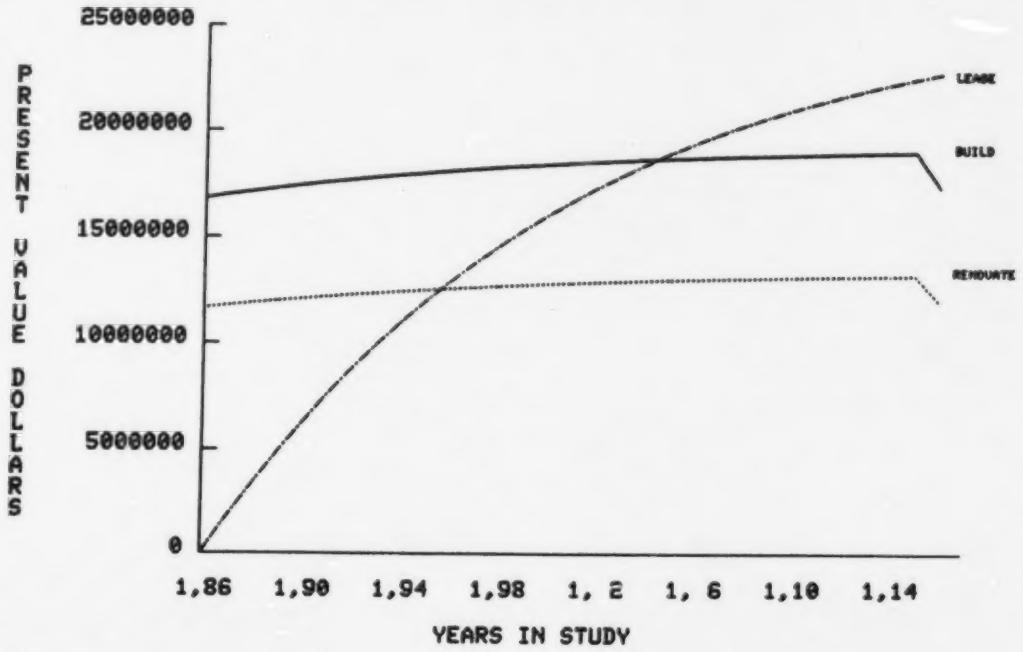
LIFE CYCLE COST ANALYSIS
BUILD,RENOVATE AND LEASE ANALYSIS FOR VAROB AT SAN FRANCISCO,CA.



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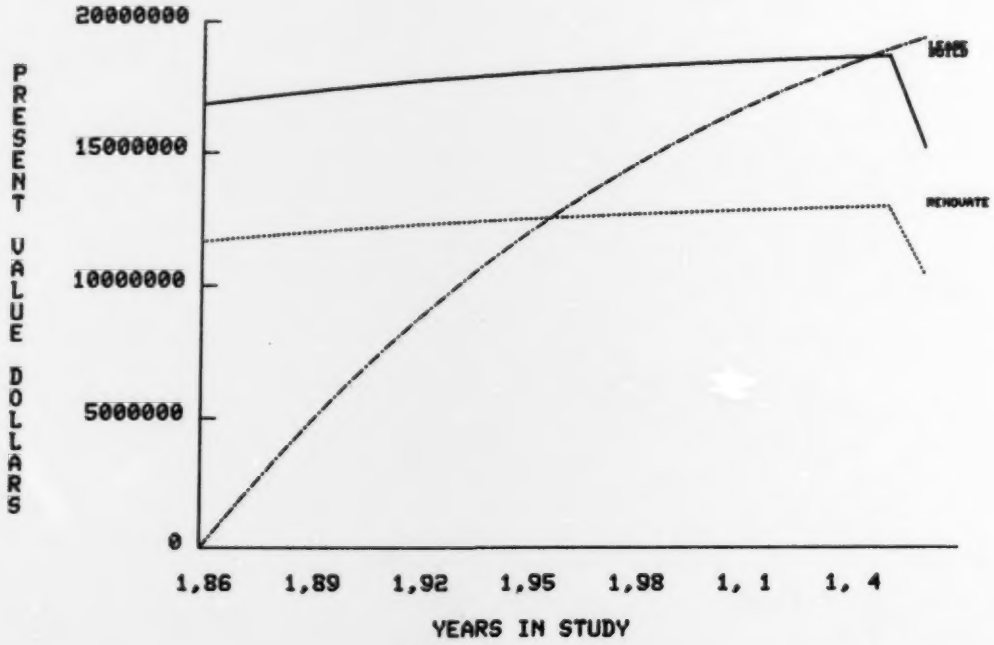
LIFE CYCLE COST ANALYSIS
BUILD,RENOVATE AND LEASE ANALYSIS FOR VAROB AT SAN FRANCISCO,CA.



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VAMROC TOGUS, MAINE
A-104 STUDY

Purpose: To find the present worth value of a building for the following alternatives:

1. Build at VAMROC Togus, Maine, a DVB building including basement expansion;

2. Build at VAMROC, Togus, Maine, a DVB building without basement expansion; and

3. Lease available building.

Future expansion of the basement was originally included in the project. Budget constraints during preliminary development caused the future expansion to be dropped. However, during working drawing development it was determined that sufficient funds remained in the project so that the future expansion was re-instated. The cost comparison reflects both options.

Exclusions: Utility costs are assumed to be equal for each alternative and are, therefore, excluded.

Facts and Assumptions:

a. Leasing period is 20 years.

b. Building size required is 48,930 GSF for Alternative No. 1, 35,980 GSF for Alternative No. 2, and 28,300 net rentable space for Alternative No. 3. The lease alternative includes space for the Regional Office Director, Personnel Service, and District Counsel, which must be provided if the DVB activities move from the medical center. These functions are not included in either build alternative.

c. Land size required for the building at the medical center is one acre. Leased space will require space for 100 parking spaces, which is included in the lease payments.

d. Discount rate is 7%.

e. All costs are based on 1982 prices.

f. Life cycle for purpose of study is 40 years.

g. Sunk cost of A/E design, working drawings is $200,292. The cost is spent prior to the baseline date; therefore, it is not included in the base costs.

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h. Imputed costs for government-owned options are:

Property Tax	$45.00/$1,000	(2)
Insurance	$ 2.72/$1,000	(3)
Land Value	$ 0.46/SF	(2)

i. Basic lease cost for rented structure is $8.00/SF (see item m below).

j. Building is available for lease within the Togus geographical area.

k. Cost of construction of the building at Togus is $58.53/GSF for Alternative No. 1 and $77.90/GSF for Alternative No. 2. The difference is due to the large area of low cost basement space in Alternative No. 1.

l. DVB has advised that the regional office should be considered a separate entity for the lease option. Total base year FY 1982 salary costs, which include social charges for retirement, health insurance and workman's compensation, are $206,228 for the following additional staff for DVB and DM&S functions:

1.0 Regional Office Director (GS-15)	$55,275
1.0 Secretary (GS-6)	$16,965
1.0 Accounting Technician (GS-5)	$15,218
1.0 Payroll Clerk/Voucher Examiner (GS-5)	$15,218
1.0 Accts. Rec. Analyst (Debt Collection) (GS-6)	$16,965
1.0 Personnel Officer (GS-11)	$27,903
1.0 Personnel Management Specialist (GS-9)	$23,060
1.0 Personnel Clerk (GS-5)	$15,218
1.0 Teletype Operator (GS-4)	$13,604
0.5 Supply Clerk (GS-4)	$ 6,802

m. Other costs to be included in the lessor's cost to rent are:

(1) Initial basic alterations are included in Item i. Roof and insulation replacement is amortized over the first 20-year lease at a 15% interest rate, which gives a cost of $14,150/year.

(2) Security costs for one guard is $30,908/year and includes social charges for retirement, health insurance and workman's compensation.

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(3) Cost for snow removal in the parking lots of the leased building is $5,000 per year.

(4) Real estate taxes are $28,866/year.

(5) Amortized cost of two inches of mix, sealant and striping for parking lot resurfacing every five years is $6,000/year.

Sensitivity: The study will be iterated for:

1. Discount rates of 7%, 8.5%, and 10%;
2. Initial lease payment at base and base + 10%; and
3. Construction cost at base, base ± $5.00/GSF, and base + $10.00/GSF.

Sources of Data:

1. Mr. Richard Poulin, GSA, Boston, MA.
2. Mr. Donald Dyer, City Assessor, Augusta, ME.
3. Mr. Elwin Paulhus, Chief Engineer, VAMROC, Togus, ME.

SUMMARY OF PRESENT WORTH VALUES		DATE: 9/15/82	
LOCATION: TOGUS, MAINE		PROJECT NO. 402-059	
PROJECT NAME: DVB BUILDING			
Facts-Assumptions and Sensitivities	Alternative #1 (Build w/Bsmt)	Alternative #2 (Bld w/o Bsmt)	Alternative #3 (Lease)
BASE CONDITION 7% Discount Rate	$4,617,056	$4,519,143	$6,984,369
SENSITIVITY #1 8.5% Discount Rate	$4,382,362	$4,289,473	$5,953,704
SENSITIVITY #2 10% Discount Rate	$4,195,435	$4,106,542	$5,167,011
SENSITIVITY #3 Lease Payment + 10%	$4,617,056	$4,519,143	$7,286,200
SENSITIVITY #4 Construction Cost - $5/GSF	$4,380,731	$4,345,364	$6,984,369
SENSITIVITY #5 Construction Cost + $5/GSF	$4,853,381	$4,692,922	$6,984,369
SENSITIVITY #6 Construction Cost + $10/GSF	$5,089,706	$4,866,700	$6,984,369

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Economic Analysis
Little Rock, Arkansas
Project No. 598-131
REGIONAL OFFICE BUILDING
MARCH 3, 1986

Purpose: To find the present worth values of the estimated variable costs of three alternatives for providing a Regional Office Building in Little Rock, Arkansas.

Alternative	Description
1	Build a Regional Office Building at North Little Rock, Arkansas
2	Renovating Building No. 65 at VAMC North Little Rock, Arkansas
3	Lease a suitable existing building

Note: Variable costs are those costs which would be different for different alternatives.

General Information:

a. This economic analysis has been made in accordance with the procedures set forth in OMB Circular A-104, dated June 14, 1972, and the recommendations of the Econmic Cost Analysis Task Force. Like all such analyses, it is conditional in nature. It is based upon information currently available as the result of investigations made by appropriate VA organizational elements concerning the availability and lease or purchase costs of existing buildings, etc., and upon differences in operating and other conditions as described in this report.

b. Even if all of the assumptions made in this study are 100% correct today, there is no assurance that they will still be valid a year or two from now when the agency will first be in a position to make binding commitments concerning leasing a building.

c. For any build alternative there will be some residual value at the end of the study period, and there will be availability of physical plant for government use at the end of the study period.

d. It is imperative that this analysis be regarded and used as a tool and not as a substitute for informed good judgement in the decision-making process.

Exclusions. The following costs, which are or are assumed to be equal for all alternatives, are excluded from the calculations:

a. Utilities
b. Fuel for thermal needs
c. Janitorial services
d. Maintenance

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Notes:

a. We have prepared a Present Worth Analysis based on a 10, 20 and 30 year duration. The analysis uses a 7% discount rate in accordance with OMB Circular A-104.

b. The area required for Alternative 1 is 49,000 GSF, and Alternative 2 is 47,516 GSF, and Alternative 3 is 43,560 NRSF.

c. The area of land required for Alternative #1 is 1.50 acres. The cost of land for computing residual values for Alternatives #1 and #2 is $172,000/acre.

d. The cost of the building, surface parking and utilities for Alternative 1 is $88.55/GSF, excluding the cost of site acquistion.

e. The cost of Renovating Building No. 65 and surface parking is $41.57/GSF, excluding the cost of land. This figure is based on in-house drawings and accomplishment by the Purchase - Hire Method.

f. The cost of leasing a building is $7.00/NRSF; however, with the maintenance deleted, the lease payment becomes $6.62/NRSF. The leased building requires that 10 surface parking spaces be leased separately at $60/Mo. for a new total lease payment of $6.89/NRSF.

Conclusion:

As can be seen in the following chart, Renovating Building No. 65 offers the most cost efficient method of providing the required space.

SUMMARY OF PRESENT WORTH VALUES — DATE: 03/03/86

LOCATION: Little Rock, Arkansas

PROJECT TITLE: Regional Office Building — PROJECT NO.: 598-131

SENSITIVITY:		BUILD	RENOVATE	LEASE
All at Base Condition of 7% Discount:				
10 Years				
	Build	$4,864,857	-0-	-0-
	Renovate	-0-	2,363,275	-0-
	Lease	-0-	-0-	2,107,977
	-Salvage	-1,995,009	990,760	-0-
	Total	$2,869,848	$1,372,515	2,107,977
20 Years				
	Build	$5,022,103	-0-	-0-
	Renovate	-0-	2,439,517	-0-
	Lease	-0-	-0-	3,179,565
	-Salvage	-879,844	449,405	-0-
	Total	$4,142,259	$1,990,112	$3,179,565
30 Years				
	Build	$5,102,039	-0-	-0-
	Renovate	-0-	2,478,274	-0-
	Lease	-0-	-0-	3,724,306
	-Salvage	-391,625	207,203	-0-
	Total	$4,710,414	$2,271,071	$3,724,306

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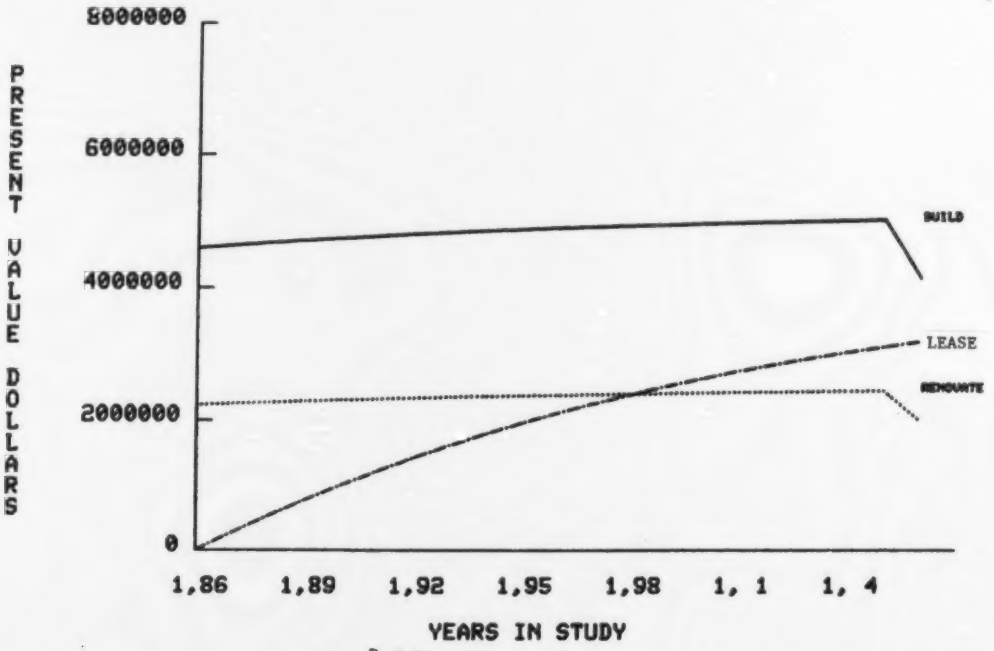
LIFE CYCLE COST ANALYSIS
BUILD,RENOVATE AND LEASE ANALYSIS FOR VAROB AT LITTLE ROCK,AR.



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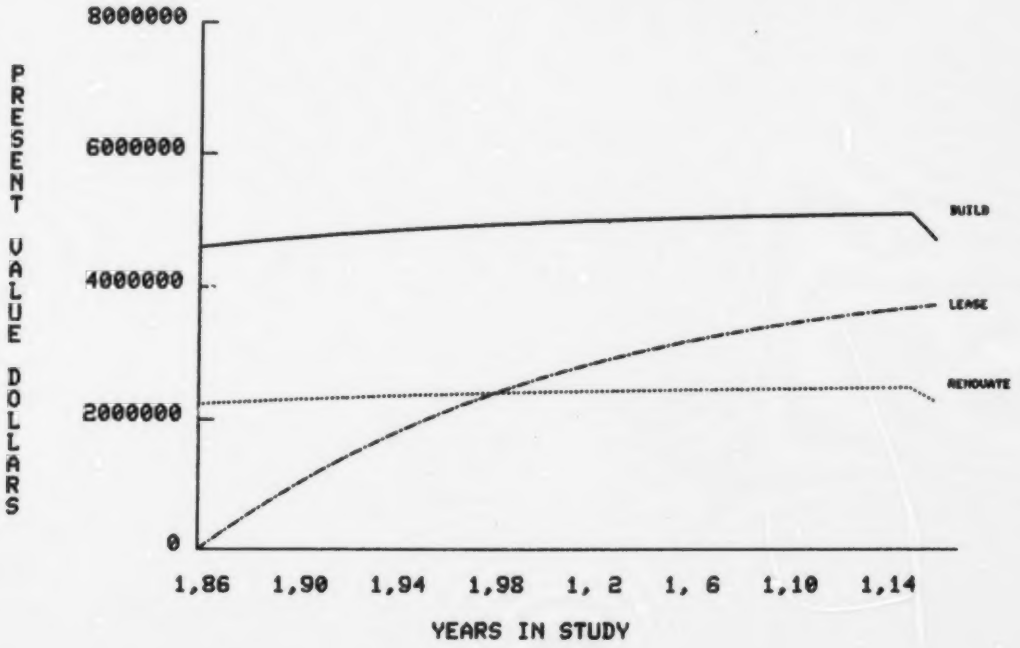
BUILD,RENOVATE AND LEASE ANALYSIS FOR VAROB AT LITTLE ROCK,AR.



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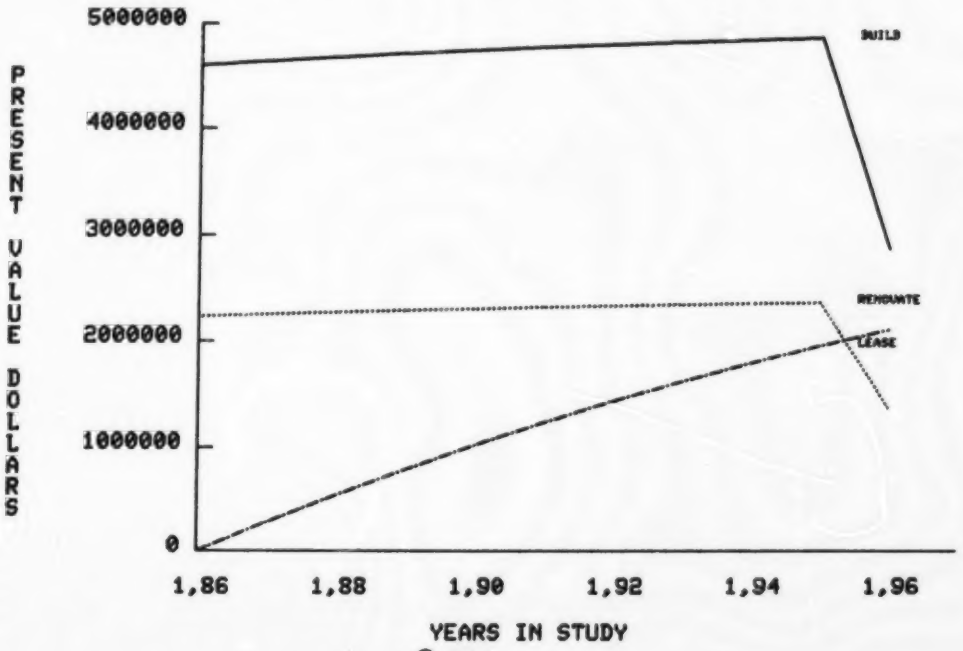

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Administration Washington, DC 20405

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SEP 14 1984

Honorable Harry N. Walters
Administrator
Veterans Administration
Washington, DC 20420

(232B)

Dear Mr. Walters:

Thank you for your letter of August 14, 1984, informing us of plans to collocate the Department of Veterans Benefits at Fargo, North Dakota and Witchita, Kansas, to the grounds of Veterans Administration Medical Centers. We also appreciated the opportunity to review these projects with your staff on August 24 and to learn of the other locations you plan to collocate based on a five-year plan.

The General Services Administration agrees with the collocation of functions if such action is cost effective and in the decision-making process consideration is given to the impact such actions will have on GSA-held work space. We believe that the projects scheduled after FY 1986 should be evaluated on an individual basis after analysis of all alternatives as prescribed by OMB Circular A-104.

As to the Fargo and Wichita collocations, we have no objection to these projects as planned. However, it is essential that GSA be fully informed of your progress so that we can act in a timely and effective manner in dealing with the space that is vacated by your regional offices. Thank you again for keeping us informed of your plans.

Sincerely,

Ray Kline
Acting Administrator

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FY 1988	Type of Bldg.	*Occupied Space (Rentable)		Total Fy 85 SLUC	** Percentage of Bldg Occupied by VA	GSA Supported
VAM&ROC Fargo	Federal Bldg. & Courthouse	All other	16,865 sq. ft.		Unknown at this time: requested information	Yes
		Parking	3,600	$173,068		
			20,465			
VAM&ROC Wichita	GSA Leased Space	All other	45,120	$385,500	30 Percent	Yes
		Parking	30,000			
			75,120			
FY 1989						
St. Paul (Minneapolis)	Federal Bldg.	All other	172,878	$2,444,961	47 Percent	See cover Letter par. 2
		Parking	199,780			
			372,658			
St. Petersburg (Bay Pines)	Federal Bldg.	All other	107,722	$1,092,863	75 Percent	"
		Parking	5,700			
			113,422			
Newark (East Orange)	Federal Office Building	All other	71,792	$712,474	Primary Tenant 100% VA (includes DM&S Space)	"
		Parking	XXXXX			
			71,792			
Reno	GSA Leased Space	All other	16,556	$281,474	Unknown at this time; requested information	"
		Parking	1,500			
			18,056			
Des Moines (Des Moines/ Knoxville)	Federal Building	All other	32,367	$260,773	8 Percent	"
		Parking	4,800			
			37,167			
Los Angeles	Federal Building & U.S. Post Office	All other	139,801	$3,928,585	Unknown at this time; requested information	"
		Parking	164,100			
			303,901			

* Does not include Joint-use space; Total FY 1985 SLUC includes all DVB space rental charges.
Information obtained from 4th Quarter FY 1985 GSA SLUC Billing.

** This may not correlate to amount of space for which DVB is responsible for paying the SLUC costs.

206

GIBSON, DUNN & CRUTCHER
LAWYERS
333 SOUTH GRAND AVENUE
LOS ANGELES, CALIFORNIA 90071
TELEX: 674980 GIBTRAN LSA
CABLE ADDRESS: GIBTRAN LOS ANGELES CA

March 18, 1986

(213) 229-7571

C 27180-00004

Mr. Everett Alvarez, Jr.
Acting Administrator of Veterans Affairs
810 Vermont Avenue, N.W.
Washington, D.C. 20420

Re: The Three Hundred (300) Acre Parcel of Land of the Rancho San Vicente y Santa Monica and adjoining lands known as THE NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS, also known as THE VETERANS ADMINISTRATION MEDICAL CENTER, Brentwood, Los Angeles, California.

Dear Mr. Alvarez:

We have been retained to represent certain of the heirs of United States Senator John P. Jones and of Arcadia Bandini de Baker and in that connection have filed, pursuant to California Civil Code Sections 880.020 et seq. (Marketable Record Title), "Notices of Intent to Preserve Interest" (the "Notices") with respect to the above-referenced land.

The real property referenced in the Notices includes, but is not limited to, the 2.13 acres with respect to which the General Services Administration has announced a public auction to be held on March 27, 1986. For your information, we have enclosed copies of the Notices which were recorded with the County Recorder on March 17, 1986.

Sincerely yours,

Fred G. Bennett

FGB:MC
Encls.

cc: Donald L. Ivers, Esq.
General Counsel
Veterans Affairs
810 Vermont Avenue, N.W.
Washington, D.C. 20420

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RECORDING INFORMATION

RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
31 MIN. 3 P.M. MAR 17 1986
PAST.

Recording requested by:
Peter Mel and John Farquhar

FOR USE OF COUNTY RECORDER

FEE $10.- N

After recording return copies to:
John Farquhar
c/o Gibson, Dunn & Crutcher
333 South Grand Avenue
Los Angeles, California 90071
and
Peter Mel
4 Red Rock
Irvine, California 92714

Indexing Instructions.
This notice must be indexed as follows:
Grantor and grantee index-each claimant is a grantor.

NOTICE OF INTENT TO PRESERVE INTEREST

This notice is intended to preserve an interest in real property from extinguishment pursuant to Title 5 (commencing with Section 880.020) of Part 2 of Division 2 of the Civil Code (Marketable Record Title).

Claimants — See Exhibit A containing list of claimants and mailing addresses.

Interest — Power of Termination
Documents recorded in County of Los Angeles, State of California, in the Los Angeles County Records in Book 405 at Page 14, and in Book 1122 at Page 263 on March 10, 1888 and October 17, 1896

Real Property — All the following described land and premises situate, lying and being in the County of Los Angeles, State of California, and particularly bounded and described as follows: Commencing at a point on the boundary line between the Ranchos San Vicente y Santa Monica, and San Jose de Buenos Ayres, distant 6044 feet Northerly from the corner post on the line between the said Rancho San Vicente y Santa Monica and the Rancho La Ballona, which post is the common corner of the Rancho San Vicente y Santa Monica and the Rancho San Jose de Buenos Ayres, running from said point of beginning South 54-1/2° West 2980.2/10 feet to a

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stake, being the South West corner of the tract herein conveyed; thence North 35-1/2°, West 4385 feet to a stake, being the North West Corner of said tract herein conveyed; thence North 54-1/2°, East 2980.2/10 feet to a stake on the boundary line between the said Ranchos San Vicente y Santa Monica and San Jose de Buenos Ayres; thence South 35-1/2°, East along said boundary line 4385 feet to the place of beginning, containing three hundred (300) acres of land.

I assert under penalty of perjury that this notice is not recorded for the purpose of slandering title to real property and I am informed and believe that the information contained in this notice is true. I also assert under penalty of perjury that I am authorized to act on behalf of the claimants.

Signed: John Farquhar Date: March 12, 1986
John Farquhar (on behalf of the heirs of John P. Jones as claimants)

Address: c/o Gibson, Dunn & Crutcher
333 South Grand Avenue
Los Angeles, California 90071

State of California, ss.
County of Los Angeles,

On this 12th day of March, in the year 1986, before me (here insert name and quality of officer), personally appeared John Farquhar, personally known to me (or proved to me on the basis of satisfactory evidence), to be the person whose name is subscribed to this instrument, and acknowledged that he (she or they) executed it.

Signed: [signature]
Office: _____ Official Seal

EXHIBIT A - "LIST OF CLAIMANTS"

HEIRS OF JOHN P. JONES

John Farquhar
Individually, as Executor of the Estate of Marion J. Farquhar, Deceased, and as Trustee under the Will of Marion J. Farquhar
c/o Fred G. Bennett
Gibson, Dunn & Crutcher
333 South Grand Avenue
Los Angeles, California 90071

Gregory Jones, Jr.
As Trustee of the Residual Trust under the Will of Gregory Jones, Sr., Deceased
434 Stonecrest Court
Santa Rosa, California 95404

Ramina Corporation
John P. Farquhar, President
c/o Fred G. Bennett
Gibson, Dunn & Crutcher
333 South Grand Avenue
Los Angeles, California 90071

Stephen F. Peters
As Executor of the Estate of Dorothy J. Boden
Hufstedler, Miller, Carlson & Beardsley
700 South Flower Street
Suite 1600
Los Angeles, California 90017

Nadya Cole, Peter W. Michaels, Gregory Palmer Michaels, Timothy Cook Michaels, Dorothy Michaels Abou-Sleiman, Nancy M. Mayak, James A. Heighton, Valarie H. Cullison, Victoria H. Firth, David P. Heighton and Dorothy H. Geist
c/o Stephen F. Peters
Hufstedler, Miller, Carlson & Beardsley
700 South Flower Street
Suite 1600
Los Angeles, California 90017

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RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
31 MIN. 3 P.M. MAR 17 1986
PAST.

RECORDING INFORMATION

FOR USE OF COUNTY RECORDER

FEE $33 — N

Recording requested by:
Peter Mel and John Farquhar

After recording return copies to:
Peter Mel
4 Red Rock
Irvine, California 92714
and
John Farquhar
c/o Gibson, Dunn & Crutcher
333 South Grand Avenue
Los Angeles, California 90071

Indexing Instructions. 9
This notice must be indexed as follows:
Grantor and grantee index-each claimant is a grantor.

NOTICE OF INTENT TO PRESERVE INTEREST

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Claimants — See Exhibit A containing list of claimants and mailing addresses.

Interest — Power of Termination
Documents recorded in County of Los Angeles, State of California, in the Los Angeles County Records in Book 405 at Page 14, and in Book 1122 at Page 263 on March 10, 1888 and October 17, 1896

Real Property — All the following described land and premises situate, lying and being in the County of Los Angeles, State of California, and particularly bounded and described as follows: Commencing at a point on the boundary line between the Ranchos San Vicente y Santa Monica, and San Jose de Buenos Ayres, distant 6044 feet Northerly from the corner post on the line between the said Rancho San Vicente y Santa Monica and the Rancho La Ballona, which post is the common corner of the Rancho San Vicente y Santa Monica and the Rancho San Jose de Buenos Ayres, running from said point of beginning South 54-1/2° West 2980.2/10 feet to a

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stake, being the South West corner of the tract herein conveyed; thence North 35-1/2°, West 4385 feet to a stake, being the North West Corner of said tract herein conveyed; thence North 54-1/2°, East 2980.2/10 feet to a stake on the boundary line between the said Ranchos San Vicente y Santa Monica and San Jose de Buenos Ayres; thence South 35-1/2°, East along said boundary line 4385 feet to the place of beginning, containing three hundred (300) acres of land.

I assert under penalty of perjury that this notice is not recorded for the purpose of slandering title to real property and I am informed and believe that the information contained in this notice is true. I also assert under penalty of perjury that I am authorized to act on behalf of the claimants.

Signed: Peter Mel Date: Mar 12, 1988

Peter Mel (on behalf of the heirs of Arcadia Bandini de Baker as claimants)

Address: 4 Red Rock
Irvine, Ca. 92714

State of CALIFORNIA, ss.
County of ORANGE,

On this 12TH day of MARCH, in the year 1988, before me (here insert name and quality of officer), personally appeared PETER MEL, personally known to me (or proved to me on the basis of satisfactory evidence), to be the person whose name is subscribed to this instrument, and acknowledged that he (she or they) executed it.

Signed: Julie Christine Adkins
Officer IRVINE CALIFORNIA Official Seal

OFFICIAL SEAL
JULIE CHRISTINE ADKINS
NOTARY PUBLIC-CALIFORNIA
ORANGE COUNTY

2

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STATEMENT OF

CONGRESSMAN ANTHONY C. BEILENSON

Thank you for giving me the opportunity to share my views with you today and to express my strong opposition to the sale of what has been referred to as "excess" land at the Veterans Administration Medical Center in West Los Angeles, as well as at the VA medical center in Sepulveda. For the purposes of today's hearing , I shall restrict my comments to the sale of land in West Los Angeles, which is located in the 23rd congressional district that I represent. In fact, my Los Angeles district office is just two blocks from the VA Medical Center, so I'm very familiar with the location and the surrounding community.

As you know, the Reagan Administration has recommended that approximately 109 acres of land in West Los Angeles be declared surplus and sold for commercial development. The Administration says this land would sell for about $340 million--money which the Administration would credit toward reducing the federal deficit. I'm a strong supporter of efforts to reduce the deficit, but I do not believe that this is a viable or appropriate way to bring federal fiscal policy under control.

First, I question the fair market appraisal of the VA property when that figure is based on the property's commercial zoning value rather than on its present zoning for multi-dwelling residential; another large parcel of the VA land is zoned for open space, an even more restrictive designation.

In addition to the zoning, the Los Angeles County general land-use plan restricts the property to public and semi-public use. Therefore, any appraisal based on commercial use is

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completely inconsistent with both the current zoning and land-use designations.

Similar appraisal problems were recently highlighted when the County negotiated with the General Services Administration on an adjacent parcel of surplus VA land which the county wanted to use for much-needed housing for senior citizens. GSA rejected the county's offer of $2.2 million and instead appraised the property at $7 million, an appraisal the county felt was much too high based on the present zoning. At a public auction held on March 27th, the highest bid came in at only $4.2 million--and GSA is asking for a higher offer now.

Any effort to change the designation of the property to commercial zoning would not only be inconsistent with the county's general plan, but would also be contrary to the needs of the surrounding community. The traffic that commercial development would generate would add to the tremendous volume at Wilshire Boulevard and Veteran Avenue, an intersection that already holds the dubious distinction of having the highest traffic count in the western United States. In fact, the Los Angeles City Council has recently imposed a building moratorium in the nearby Westwood area while the community tries to deal with the congestion there.

A second major problem with the land sale is that the heirs of the family which gave the land to the VA have filed notice of intent to preserve interest in the property and are pursuing legal resources to maintain their rights to the property since, when the land was deeded in the late 1880's, the family

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designated that the land be used only for veterans.

Third, any land sale of such magnitude must take into consideration the present and long-term needs of the VA Medical Center itself, which I am sure officials from the VA will discuss with you. However, I want to emphasize the major role this facility plays in improving the health care of veterans in the L.A. area and its close connection with the excellent medical school at the nearby University of California at Los Angeles. We should not allow ourselves to think only in terms of superficial financial solutions or a short-term quick fix; we must be aware of future needs of the medical center and of the veterans it serves.

Perhaps the most important consideration is that the federal government has a responsibility, whenever possible, to work with and not against the needs and desires of a local community. The officials of this medical center have worked diligently to establish and maintain a close relationship with their neighbors and with the larger community. And one of the reasons that the center and the community have such a good relationship is the large buffer zone that the open space--which the government now wants to sell--provides. This space has prevented many of the problems that such close proximity to a hospital could present in a densely populated residential area. The proposed sale would dramatically alter the area and can only lead to anger and frustration and accusations of irresponsiblity and disregard for the concerns and well-being of the surrounding community. Maintaining a "green belt" buffer zone in this highly congested

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urban area cannot be measured in dollar value only. There is far too little open space left in West Los Angeles for this acreage to be sacrificed in the name of Gramm-Rudman deficit reduction.

I know personally how important this open space has been. My office has been engaged in a project that resulted in the development of a 12 acre recreational area. After seven years of negotiating with the City of Los Angeles and both the local and national VA, the city and the VA signed a short-term renewable lease for the use of the area on the northern end of the medical center's property. The City has spent $1 million to upgrade the area. We dedicated the park last spring, and residents of the community and patients from the hospital now have much better use of this space. The park is a totally appropriate use of the open space that will no longer be possible if the land sale is approved.

In short, the medical center has acted with foresight and generosity in recognizing many years ago the importance of a buffer area between the hospital and the homeowners. The center has been a good neighbor--listening to the needs of the community and accommodating those needs when they have been compatible with the hospital's needs. The good will that joint ventures such as the new recreational park have created is essential for maintaining a cooperative working relationship between the VA and the community and local government.

Obviously, implementation of the Reagan Administration's land sale proposal would destroy much of this good will.

I appreciate very much the subcommittee's interest in this proposal, and I look forward to working with you to prohibit the sale.

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WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN MONTGOMERY TO VETERANS' ADMINISTRATION

Office of General Counsel Washington D.C. 20420

Veterans Administration

In Reply Refer To:

MAY 27 1986

Honorable G. V. (Sonny) Montgomery
Chairman, Committee on
Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find the Agency's responses to the questions you submitted following the hearing held by the Subcommittee on Oversight and Investigations on April 23, 1986, regarding excessing and collocation of VA regional offices to VA medical center grounds.

I appreciate the opportunity to provide this information for the record.

Sincerely yours,

Donald L. Ivers

DONALD L. IVERS
General Counsel

Enclosure

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CONGRESSMAN MONTGOMERY

Question: 1. Please provide detailed information explaining the reasons that this land [at VAMC Cheyenne, Wyoming and VAMC Roseburg, Oregon] was given up, and what were the later-discovered uses for such land.

Answer: A review of our records for VAMC Cheyenne does not indicate that any land has been excessed or otherwise disposed of which was later needed for program purposes. In fact, an environmental assessment completed July 17, 1984, for a 120-bed nursing home care unit stated that off-site construction was not considered because available site area existed for development.

On November 13, 1974, the Administrator approved the reporting to General Services Administration as excess real property 2.7+ acres of land at VAMC Roseburg, OR. This initial step in the Federal real property transfer procedures was taken in contemplation of a requirement for the land as the site for a new Oregon State Game Commission Office building. Subsequently, the Game Commission relinquished its interest in acquiring the land. The City of Roseburg expressed a desire to acquire the parcel for a motor pool site. VA objected to possible noise, odor and traffic such a move might occasion and requested retention of the acreage for use as a site for proposed construction of certain administrative facilities. On July 17 and 18, 1977 GSA performed a survey of VAMC Roseburg pursuant to Executive Order 11954. Their inspection revealed that a restructured and expanded horticulture therapy program for mentally disturbed patients had been instituted and was proving to be highly successful. The subject parcel of land abutted the greenhouses and classroom area and was uniquely located to meet the increased program needs. Based upon information developed during the course of that survey, GSA returned the Report of Excess with the understanding that the property would be utilized in a continuing VA program.

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CONGRESSMAN MONTGOMERY

Question: 2. Please provide a history of VA land excessing, including acreage and current use, if known, covering the past 25 years.

Answer:

Years	Acreage Excessed
1950-1970	38,322
1970-1980	3,664
1981-1985	277.35*

VA has no practical source of information to determine current use of former VA property.

*1985	VAMC Little Rock, AR	16.0 acres	2/22/85- GSA to auction 6/86
	VAMC Danville,	2.8 acres	7/10/85- GSA offering for transfer or sale
	Total 1985	18.8 acres	
1984	VAMC Wood, WI	.46 acre	6/7/84- GSA sold 1/86 for $300
	VAMC Livermore, CA	1.39 acres	9/7/84- For sale by GSA
	Total 1984	1.85 acres	
1983	VAMC Vancouver, WA	16.76 acres	8/2/83- GSA conveyed to City of Vancouver at no cost for guarantee of protection
1982	VAMC Northport, NY	83.5 acres	11/15/82- GSA has sales contract for $2.7 million
	VAMC Marion, IL	25.44 acres	11/17/82- GSA sold to Marion Memorial Hospital for $125,090
	VAMC Perry Point, MD	104.5 acres	11/23/82- GSA awaiting archaeological survey before disposal
	Total 1982	213.44 acres	
1981	VAMC Augusta, GA	26.5 acres	1/21/81- GSA sold to (Forest Hills Div.) Augusta College for $450,000)

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Chairman Montgomery to General Services Administration

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April 30, 1986

Honorable Terence C. Golden
Administrator
General Services Administration
18th and F Streets, N. W.
Washington, D. C. 20405

Dear Mr. Administrator:

As you know, on April 23, 1986, the Subcommittee on Oversight and Investigations held a hearing on the excessing and utilization of existing land and collocation of VA Regional Offices to VA Medical Center grounds. Mr. Earl E. Jones presented the views of GSA concerning the plan to excess VA property.

I had questions I did not have time to ask Mr. Jones as did Mr. Hillis. These questions are enclosed and we would appreciate receiving the answers thereto by May 21, 1986.

Sincerely,

G. V. (SONNY) MONTGOMERY
Chairman

GVM:cls

Enclosures

cc: Earl E. Jones

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Questions from Honorable G.V. (Sonny) Montgomery, Chairman
Oversight & Investigations Hearing of April 23, 1986
Excessing & Utilization of Existing Land
and
Collocation of VA Regional Offices to VA Medical Center Grounds

QUESTIONS FOR GSA

1. The principal motivation for selling these lands seems to be financial, and is linked in the administration's budget to deficit reduction.

A) According to budget documents, the land in west Los Angeles is worth $350 million. That works out to $73 a square foot. Assuming that a developer is willing to pay that much for this land, how many high rises would he have to put on this land to make a profit?

B) How did GSA estimate the value of this land? Isn't this appraisal based on the densest development of the entire property, notwithstanding the current zoning, which envisions open space or other low density development?

C) Does GSA or anyone else know who has the capacity to develop a property such as this, which could result in a total of 14 million square feet of office space?

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QUESTIONS FOR GSA (CONTINUED)

2. The Subcommittee has learned that it may be several years before the government obtains clear title to this land. In addition, we have been advised that a potential conflict between the city and the county over land-use control and tax revenues could delay any change in the zoning for this land for four to five years. In any event, the land is presently zoned for public use and as open space.

A) Wouldn't it make sense, if the government were truly interested in realizing the maximum gain from this land, to resolve all of these problems before the land is put up for bid?

B) In addition, would not the government maximize its revenues by releasing this land for development in increments, so that the market would not be flooded by far more land than could be developed in the near term?

3. Every time we see one of GSA's reports on VA lands, it recommends that quarters for VA personnel be vacated. Yet the Administrator consistently rejects your agency's recommendation. Has GSA ever talked with the VA about why they believe that key personnel should be housed at medical centers where housing currently exists and isn't needed for other purposes?

Does GSA consider local community impact when changing use of or selling federal property?

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General Services Administration
Federal Property Resources Service
Washington, DC 20405

May 23, 1986

Dear Mr. Chairman:

Enclosed is the response by the General Services Administration (GSA) to your inquiry of April 30, submitting questions relative to the April 23 hearing by the Subcommittee on Oversight and Investigations of the Veterans' Affairs Committee on the excessing and utilization of existing land and collocation of Veterans Administration (VA) regional offices to VA Medical Center grounds. The responses to your questions supplement my testimony expressing the views of GSA concerning the plan to excess VA property.

The enclosure enumerates the GSA responses in the order in which the questions were presented by the Subcommittee.

Sincerely,

For EARL E. JONES
Commissioner

The Honorable
G. V. (Sonny) Montgomery
Chairman, Subcommittee on
Oversight and Investigations
Committee on Veterans' Affairs
House of Representatives
Washington, DC 20515

Enclosure

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Responses to questions by Subcommittee on Oversight and Investigations

1. A) GSA has no information as to what type or extent of improvements would be required for a private purchaser of the property to make a reasonable return on his or her investment in the land.

   B) GSA estimated the value of the land for planning purposes only and did not obtain an appraisal of the property as is normally done for actual sale transactions. The estimate was developed based on discussions with persons knowledgeable in values in the area and based on the application of the broadest spectrum of area real estate values. It did not consider detailed factors such as the density of development. The purpose of the estimate was only to indicate the significance of the property's economic potential, and it was not developed to evaluate a potential sale transaction. The estimate has served its purpose in that it indicates that the property is extremely valuable irrespective of what refinements a formal appraisal, based on data such as development factors, would indicate.

   C) GSA has no information upon which to speculate upon a response to this question. However, GSA has received expressions of interest in acquiring land in this area should it become available for development.

2. A) GSA agrees that problems such as those discussed in this question should be resolved before the property is offered for sale. Resolution of such matters is a normal activity of the GSA sales process.

   B) GSA would consider such factors as market demand for similar property in the area as well as parcelization of the property in any sales offering.

3. GSA does not routinely recommend that Government furnished housing be eliminated for VA managers at medical centers where such housing is made available. This type of recommendation is generally made only where the use of property for housing purposes does not represent the optimum use of extremely valuable land. This recommendation is normal where in the opinion of GSA an uneconomic use of extremely valuable Federal land is documented by our utilization survey reports.

   GSA always considers local community impact when changing the use of or selling Federal property. GSA makes a detailed inspection of the property and prepares an environmental assessment and highest and best use analysis with respect to the property. Further, at the time the property is determined surplus to all Federal requirements, notice is given to the State single point of contact to obtain comments from State, local, and area wide planning agencies as to the effect of the disposal on area land use plans. The period allowed for such review is 60 days. GSA also notifies the Governor, county and city officials, and representatives of other affected political jurisdictions of the availability of the property for acquisition for public use. Under these circumstances, public entities can consider use of the property in accordance with their own priorities.

   If the property is not acquired for public purposes by preferential negotiated sale, it is made available for competitive sale to the private sector. In many cases, sales of surplus properties contribute to a substantial increase in the tax base and may also generate needed employment. In any event, based on notice to appropriate zoning authorities by GSA, our sales documents inform prospective purchasers that the local zoning jurisdiction has been afforded an opportunity to rezone the property for application upon conveyance by the Government.

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